

FUNERAL POVERTY IN SCOTLAND

A REVIEW FOR
SCOTTISH
GOVERNMENT



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FOREWORD BY JOHN BIRRELL

In 2012, following the publication of Shaping Bereavement Care¹, the Scottish Government (SG) funded the setting up of a national network to support the roll out of that framework, known as the Scottish Grief and Bereavement Hub . As Convener of the Hub, I was approached by members of the Association of Bereavement Service Coordinators, ABSCO, with concerns about the increasing costs of funerals, and the numbers of clients who were having difficulty in raising the money to pay for a funeral for which they were, or for which they felt they were, responsible. The Hub set up the Scottish Working Group on Funeral Poverty to bring together a range of professionals to discuss this problem. That group included NHS and hospice bereavement staff, money advice and support services, representatives of funeral directors and of voluntary service bereavement groups.

The working group formed links with a network developing in England who had the same concerns, and was represented at discussions with them in 2012 and 2013, and also at the launch of the Funeral Poverty Alliance in 2014.

The working group was active in conversations with Scottish Government Health Directorate, and sought the inclusion of questions on funeral costs in the consultation on the Burial and Cremation Bill. The work of the group was strengthened by the active presence of Citizens Advice Scotland (CAS) in the work, and was grateful to CAS for undertaking Freedom of Information requests and surveys which presented statistical evidence to balance the anecdotal evidence being collected from other members.

As someone who has been actively involved in bereavement care for many years, I was delighted to continue to chair the Scottish Working Group after the Hub was wound down by Scottish Government Health in 2014. With a wide network of contacts on bereavement issues in Scotland and elsewhere I have been able to continue to resource and encourage the discussion of funeral poverty issues in Scotland, and was delighted to be invited to undertake this commission, along with colleagues in CAS. I have become more and more convinced that the rising net cost of funerals, if left unchecked, will precipitate a major social crisis where the reality of poverty for many of our citizens will heavily impact their ability to cope with their grief when a loved one dies.

¹ Shaping Bereavement Care – a framework for action (2011) Scottish Government Health Directorates

FOREWORD BY CAS

In June 2015 Citizens Advice Scotland published the *Cost of Saying Goodbye* report regarding the rising and varying cost of funerals in Scotland. In it we highlight the large differences in what people pay for burial and cremation fees depending on the local authority area where they live. Our research has revealed a significant variation in the basic costs of burial which can vary by as much as four times depending on where someone lives in Scotland.

Our previous work evidences the increasing number of Scots who are struggling to pay for basic funerals and the unacceptable situations many families, up and down Scotland, find themselves in when recently bereaved. In 2015 we saw prices increase by an average of 10% for burial costs and 5% for cremation charges when compared to 2014. In one local authority area prices increased by over 40%, an unaffordable inflation for those struggling on low incomes. Our frontline advisers continue to give us feedback that the problem of people struggling to scrape together the finance to pay for a funeral is increasing.

We believe that if left unchecked funeral poverty is going to have serious knock on effects on other public services in Scotland and preventative action is now a serious priority. The current trend of rising funeral costs is unsustainable and is damaging communities across Scotland.

This report offers a number of wide reaching and ambitious recommendations on how costs can be controlled and families given much more ability to arrange a respectful funeral at an affordable price. Some of these changes will be difficult and some will take time but with strong leadership and a lasting commitment to helping the bereaved all are achievable.

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INTRODUCTION

On 1 September First Minister Nicola Sturgeon outlined the Programme for Government for the current parliamentary year. In that programme she stated:

“We believe no-one should be prevented a dignified funeral or forced into debt because of the costs of organising a funeral for their loved one. We will review advice on planning a funeral, and review how to make best use of funeral payments to support those on low income who need extra help in arranging a funeral.”²

Following this, John Birrell, a Bereavement Consultant and Chair of the Scottish Working Group on Funeral Poverty was delighted to be invited³ by the Cabinet Secretary for Social Justice, Communities and Pensioners’ Rights to work with the assistance of Citizens Advice Scotland, to prepare a report and recommendations on the issues surrounding and influencing funeral poverty with a focus on:

- Potential role/actions for the Scottish Government and other sectors (UK Government, Local authorities, Funeral industry, Insurers, Credit unions, etc) in mitigating the effects of funeral poverty on bereaved families
- Opportunities for preventative work/early interventions to reduce the pressure of funeral poverty in the future
- Issues relating to the regulation of funeral payment plans and funeral directors

Across the financial year 2014/2015 citizens advice bureaux (CAB) gave advice to more clients than in any previous year regarding funerals and affording the cost of a funeral. This year we saw a 35% increase in the number of advice sessions compared to last year on this topic alone. In the first six months of 2015-2016 our service assisted with 910 issues relating to funerals in Scotland. That means that approximately 1 in every 30 funerals in Scotland results in an advice session from a Scottish CAB. Rarely are these cases not complex and can often come as part of wider issues for the client including struggling with the impacts of welfare reform, servicing unsustainable debt, struggles with family relationships and relying on the support of crisis charity help.

While the timescale of this review inevitably meant we could not consult across everyone involved in funerals, bereavement and grief support. We used this opportunity to engage with a wide stakeholder group and focus groups with consumers to uncover the major concerns and issues. This allowed us to make some suggested approaches that will require further consultation and development.

In presenting the report, we would wish to preface the detail with two general points.

1. Issues around dying, death and bereavement are by their nature cross-cutting, impacting on the lives of the family and friends of the approximately 55,000 people who die each year in Scotland. That impact can affect their health⁴, their behaviour⁵, their capacity for work⁶ and their relationships⁷. For

² Scottish Government *Programme for Government 2015-2016*
<http://www.gov.scot/Publications/2015/09/7685> accessed 26.22.15

³ This project was instigated, scoped and funded by Scottish Ministers

⁴ Birrell J *et al* (2013) *Socio-Economic Costs of Bereavement in Scotland* Robert Gordon University

children and young people there is a demonstrable impact on their educational achievement⁸. These, and other, impacts of death and grief have a cost, both social and economic, to individuals and to our nation. For Government policy making the impact is spread across a number of different ministerial portfolios, for example, Social Justice, Health, Education, Business and Justice.

Much of the discussion on these issues recently has been in the realm of health, with a focus on end of life care, the introduction of the Death Certification Act 2011, the Bonomy Commission on baby cremation and the passage of the current Burial and Cremation Bill. However, this current attention to the cost of funerals and the governance of the funeral industry, finds a home in Social Justice through its links to social security, public education and consumer rights.

We recommend that in the light of the cross-cutting nature of matters relating to dying, death and bereavement, attention should be given to the possibility of development of a coordinator role, perhaps by nomination of a lead minister. This role would be tasked with ensuring consistency in approach to death and bereavement in government, assisting to avoid the duplication of work and act as an advocate on behalf of the bereaved to ensure their voice is heard in decision making processes. [Recommendation 1]

2. In the course of preparing this report, the authors have again been struck by the apparent reluctance for open discussion among the population as a whole. While death is all around us, people appear to shy away from considering their own death or talking about the death of those around them. This is borne out by the results of two surveys undertaken by NatCen Social Research and shared by Dying Matters who extracted the Scottish data for the Scottish campaigning group Good Life Good Death Good Grief – see Table 1 below.

⁵ Vaswani, N (2014) *The ripples of death: Exploring the bereavement experiences and mental health of young men in custody*. Howard Journal of Criminal Justice

⁶ Birrell J *op cit*

⁷ For example the relationship between parents of a deceased child – see Murphy SA (2008) *The Loss of a Child* in M. S. Stroebe *et al* (Ed) *Handbook of Bereavement Research and Practice* APA. Washington

⁸ Abdelnoor A, Hollins S (2004) *The effect of childhood bereavement on secondary school performance* Educational Psychology in Practice 20 1

Dying Matters commissioned surveys of social attitudes – Scottish data		
	2009 ^[i]	2013 ^[ii]
Comfortable (very or fairly) talking about death (%)	70	69
Has a will (%)	35	32
Has an organ donor card /registered as an organ donor (%)	25	30
Have written down funeral wishes / made a funeral plan	12	9
Written down wishes and preferences about end of life care if unable to decide myself – living will / advance directive (%)	3	3

Table 1

[i] Dying Matters NatCen Survey. 2009

[ii] NatCen Social Research's British Social Attitudes survey 2013

While we shall be making specific recommendations in Part 2 regarding areas where publicity is needed, we would also make this general point.

We recommend that Scottish Government facilitate greater public and personal discussion, to encourage open and honest conversations around dying, death and bereavement. This should include all Scottish Government departments, as well as public service agencies outside of health and social care, such as schools, colleges and prisons. This should support the work of the national alliance Good Life, Good Death Good Grief. [Recommendation 2]

PART 1 – THE ISSUE OF FUNERAL POVERTY

Defining Funeral Poverty

The term Funeral Poverty was first coined by SunLife Axa in their 2012 Cost of Dying report, and was rapidly adopted by those concerned about rising funeral costs and their impact on people on low incomes. In recent years there has been an increase in public discussion on Funeral Poverty including the formation of the National Funeral Poverty Alliance by Quaker Social Action⁹, a private members bill in the House of Commons by Emma Lewell-Buck MP¹⁰ and a recent Westminster Hall debate led by Paul Maynard MP¹¹. The term refers in general to the gap between the average cost of a funeral and the available resources of those paying those costs.

In 2015 the Scottish Working Group on Funeral Poverty raised the issue of formal definition of funeral poverty with the Social Policy Research Unit (SPRU) at the University of York. With funding from Marie Curie, SPRU conducted a small, exploratory study to initiate enquiry into advantages and disadvantages of having general agreement of the meaning of 'funeral poverty' and how this might be achieved. That project will report in early 2016, but in the meantime we propose the following:

FUNERAL POVERTY is a generic term used to encompass a range of issues around the difficulties experienced by people with insufficient funds faced with paying the cost of a funeral. In particular Funeral Poverty comprises:

- **Funeral debt:** the inability to pay timeously and in full the cost of a funeral for which a person is responsible
- **Funeral debt burden:** the contribution responsibility for the cost of a funeral plays in a person's overall experience of unsustainable debt
- **Bereavement poverty:** the effect of financial debt and/or having to adjust the funeral for financial reasons has on the grief experience of the person responsible for arranging and paying for the funeral
- **Funeral industry debt:** the burden of debt carried by the funeral industry as a result of people being unable to pay in full for a funeral for which they are responsible.

⁹ Quaker Social Action website <http://www.quakersocialaction.org.uk/funeral-poverty-alliance> accessed 26.11.15

¹⁰ Hansard 9 December 2014

<http://www.publications.parliament.uk/pa/cm201415/cmhansrd/cm141209/debtext/141209-0001.htm#14120936000001> accessed 26.11.15

¹¹ Hansard 13 October 2015

<http://www.publications.parliament.uk/pa/cm201516/cmhansrd/cm151013/halltext/151013h0002.htm#15101366000003> accessed 26.11.15

The Case for a Funeral:

From the earliest times people have disposed of their dead, with evidence of burial sites going back to around 60,000 BCE. While some cultures exposed the dead, on the ground or on platforms, to be stripped of flesh prior to burial of the skeletons, the majority “buried” their dead in the ground, or under mounds of earth or stones. Ritual was a part of this from early times, with the “Red Lady” skeleton, found in South Wales in 1822, being one of the oldest examples – a male skeleton, dyed with red ochre and buried with shells and ivory, dating from around 31,000 BCE. It is thought that early funerary rituals may have been about easing the journey of a spirit into the next world.

The introduction of cremation dates from around 20,000 BCE with one of the earliest discoveries being the “Mungo Lady” in Australia, and the addition of memorialisation “extolling the deeds of the brave” is noted in the epic poems of Homer and others around 8,000 BCE.

The history of the funeral reflects similar purposes, with the three main components of a funeral continuing to be:

- a) to dispose of the body
- b) to mark the death with a form of ritual
- c) to declare the achievements of the deceased

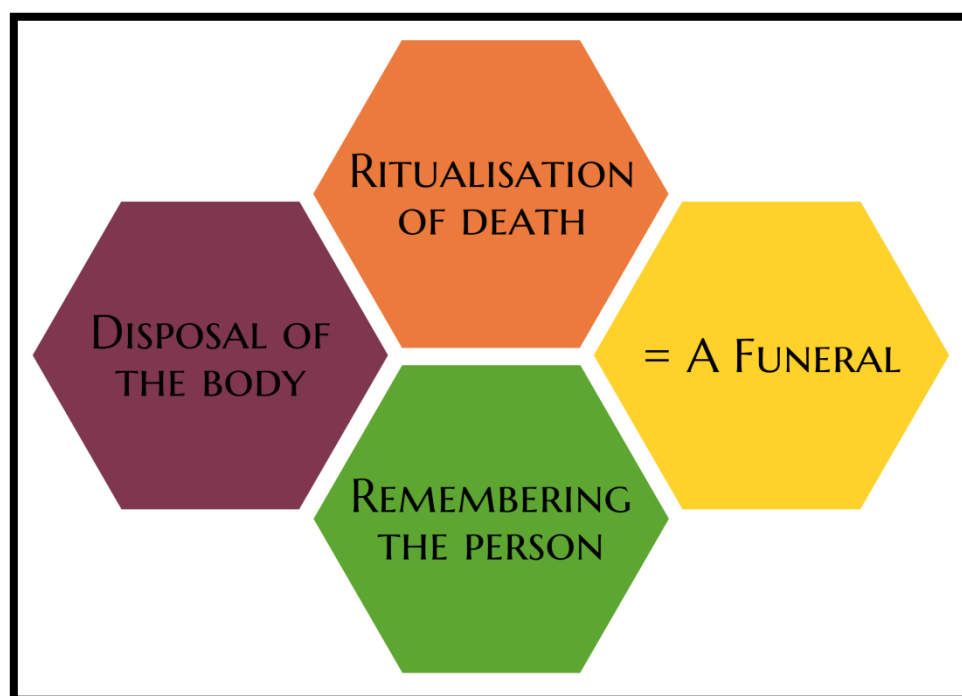


Figure 1: Key components of a funeral

Despite the decline in religious observance and the advent of a more pluralistic approach to ritual, these continue to be the predominant themes of a funeral today. However, with the development of research into bereavement, there has been an

increasing emphasis on the funeral as “an important adjunct in aiding and abetting the healthy resolution of grief”¹². This is where the funeral, if it is done well can offer opportunity to recognise the reality of the death and give a safe locus for the expression of grief and the gathering of social support. “The presence of a family at the funeral reaffirms that these survivors have experienced a loss and that their subsequent grief needs sanction, acknowledgement and support.”¹³ Such therapeutic aspects of the funeral are to be seen both in the revision of religious liturgies¹⁴ and in the growth of Humanist and secular ceremonies. It is therefore important to recognise the importance to many bereaved people that a funeral plays. It more often than not plays a significant part of the grieving process and could be said to be as much for the family and friends as it is for the deceased.

The UK Funeral Industry:

According to a Market Research report published by Ibis World¹⁵, the funeral industry in the UK is currently estimated to have a revenue of £2bn and is showing an annual growth over the past 5 years of 2.9%. There are estimated to be over 1,600 businesses in the UK, employing over 24,000 people. However since the industry is unregulated, and anyone can set up business and call themselves a funeral director, numbers can only be estimates.

There are two principle trade associations, The National Association of Funeral Directors (NAFD) and The Society of Allied Independent Funeral Directors (SAIF). Both organisations have their own Codes of Conduct and these form the basis of the self-regulation of the market. They also run inspection and auditing schemes of their members and offer them benefits such as training and advice and guidance. However there is no requirement to be a member of either body, or of one of the more newly formed trade groups, in order to practice as a funeral director, and since the ultimate power for the trade associations is to exclude a member this does not prevent a business from continuing to operate outside of the code of practice. Currently the Scottish Government have stated that 80% of funeral directors are members of the NAFD and/or SAIF with around 20% of funeral directors not a member of either association¹⁶ and as such possibly not subject to an inspection regime. In terms of the number of funerals carried out it is estimated that 80% of funerals in Scotland are carried out by NAFD members and 15% carried out by SAIF

¹² Worden J.W. (2010) *Grief Counselling and Grief Therapy* Routledge (p118)

¹³ Doka K. (2008) *Disenfranchised Grief* in M. S. Stroebe *et al* (Ed) *Handbook of Bereavement Research and Practice* APA. Washington

¹⁴ Irion P.E. (1991) *Changing Patterns of Ritual Response to Death* *Omega*, 22, 159-172

¹⁵ Ibis World (2015) *Funeral Activities Market Research Report* available at <http://www.ibisworld.co.uk/market-research/funeral-activities.html> accessed

¹⁶ Scottish Government, *Evidence to Scottish Parliament Local Government Committee for Burial and Cremations (Scotland) Bill 2015*; http://www.scottish.parliament.uk/S4_LocalGovernmentandRegenerationCommittee/General%20Documents/Answers_from_the_Scottish_Government.pdf

members. With regard to these figures it is important to note that some funeral directors are a member of both NAFD and SAIF.

There are currently around 55,000 funerals carried out in Scotland each year and SAIF estimate that around 55% of these funerals are carried out by independent funeral directors. In Scotland there are two significant national players in the market, and NAFD estimate that Dignity Funerals carry out around 7,000 (13%) funerals each year and Cooperative Funeralcare who arrange around 15,000 (27%) funerals each year.

Defining a Funeral Director:

We note that the Burial and Cremation (Scotland) Bill defines a funeral director in the words of Section 31 (a) the Certification of Death (Scotland) Act 2011 as *a person whose business consists of or includes the arrangement and conduct of funerals*. We are of the opinion that such a definition is unclear as to whether it includes those who arrange funerals pre-need, and will return to this point in Part 2 when we comment on the selling of Funeral Plans and regulation of the funeral industry

Contributing factors to Funeral Poverty:

What does the average Funeral Cost?

Two recent reports, *Cost of Dying 2015* from Sun Life¹⁷ and *Rising Funeral Costs – The Elephant in the Room* from Royal London¹⁸ have both estimated the average cost of funerals in the past year, based on separate research commissioned from YouGov. Their conclusions for Scotland are shown in Figure 2. While these figures are the best estimate that we have they are from limited samples of data and therefore it is difficult to know for definite what the median cost for most families is.



Figure 2: Average cost of a funeral in Scotland, 2015

There are five main factors which contribute to funeral poverty:

1. The cost of burial or cremation
2. The funeral director's charges
3. Additional expenditure
4. The level of personal finance available to pay the bill
5. The level of assistance available to those who cannot pay

1. The cost of Burial or Cremation

The Scottish Association of Family History Societies¹⁹ lists over 3,500 cemeteries in Scotland. Many are no longer in use, but nevertheless the majority are owned, and

¹⁷ Cost of Dying 2015, published by Sun Life available at <https://www.sunlifedirect.co.uk/press-office/cost-of-dying-2015/> accessed 26.11.15

¹⁸ Rising Funeral Costs – The Elephant in the Room, published by Royal London available at <http://www.royallondon.com/Documents/PDFs/2015/10299-Funeral%20Report%2052pp%20FINAL.pdf> accessed 26.11.15

¹⁹ Scottish Association of Family History Societies: <http://www.safhs.org.uk/index.asp> accessed 26.11.15

maintained, by local authorities. In addition, there remain some in the ownership of churches or faith groups, and there are a number of privately owned, natural burial grounds.

The 2015 Directory of Crematoria, published by the Institute of Cemetery and Crematorium Management²⁰ list 27 crematoria in Scotland, of which 13 are privately owned and 14 are owned by local authorities.

In 2014 and again in 2015 Citizens Advice Scotland enquired for information from local authorities and private crematoria operators. CAS research found significant differences in the prices being charged for burial and cremation in Scotland between local authorities and private operators.

Burial Costs

The cost of a burial from those running a cemetery is broadly split into two main charges.²¹ The first of these is a lair cost, that is the price for a set space in a cemetery for a burial. Depending on the cemetery these can be single space lairs for one coffin or more commonly a dual lair that can hold two coffins. There are also examples of larger lairs capable of holding three burials or more. Lair costs, for traditional type graves, in Scotland's local authority cemeteries range from £388 in the Western Isles to £1,527 in East Dunbartonshire. While more urbanised local authority areas broadly charge more for burial lairs than their rural counterparts there is no clear pattern in costs and a very large range.

2015	Local Authority	Internment	Lair	TOTAL ²²
1	East Dunbartonshire	£1,258.00	£1,527.00	£2,785.00
2	City of Edinburgh	£1,010.00	£1,152.00	£2,162.00
3	City of Glasgow	£849.00	£1,131.00	£1,980.00
4	South Lanarkshire	£763.00	£1,120.00	£1,883.00
5	Stirling	£1,004.00	£775.00	£1,779.00
6	Perth and Kinross	£891.00	£855.00	£1,746.00
7	City of Aberdeen	£577.00	£850.00	£1,427.00
8	Aberdeenshire	£658.00	£753.00	£1,411.00
9	Moray	£758.00	£615.00	£1,373.00
10	Scottish Borders	£609.00	£709.00	£1,318.00
-	SCOTTISH AVERAGE	£622.29	£651.06	£1,273.35
11	East Lothian	£709.00	£561.00	£1,270.00
12	North Lanarkshire	£610.00	£636.00	£1,246.00
13	South Ayrshire	£613.00	£613.00	£1,226.00
14	Angus	£601.00	£559.90	£1,160.90
15	Fife	£567.00	£588.00	£1,155.00

²⁰ [http://www.iccm-uk.com/iccm/library/MasterFINALCrematoriaYearofopeningETC%20\(15\).pdf](http://www.iccm-uk.com/iccm/library/MasterFINALCrematoriaYearofopeningETC%20(15).pdf) accessed 25.11.2015

²¹ Dundee City Council have a different fee structure and also charge non-optional title deed [£65] and perpetuities fees [£569]

²² Prices are for adult burial in new plot during normal mid-week hours for person resident in that local authority, note prices differ for weekend, children, ashes burial and non-residents.

16	City of Dundee	£534.00	£617.00	£1,151.00
17	Clackmannanshire (<i>median</i>)	£562.58	£581.00	£1,143.58
18	West Dunbartonshire	£569.00	£569.00	£1,138.00
19	Argyll and Bute	£503.30	£594.65	£1,097.95
20	Inverclyde	£579.70	£492.50	£1,072.20
21	Orkney	£500.00	£547.00	£1,047.00
22	North Ayrshire	£519.00	£519.00	£1,038.00
23	Highland	£638.00	£399.00	£1,037.00
24	Midlothian	£488.25	£512.93	£1,001.18
25	West Lothian	£482.74	£505.74	£988.48
26	Dumfries and Galloway	£507.00	£444.00	£951.00
27	East Ayrshire	£482.50	£461.50	£944.00
28	Renfrewshire	£456.15	£437.70	£893.85
29	Falkirk	£424.00	£466.00	£890.00
30	Shetland	£440.00	£440.00	£880.00
31	East Renfrewshire	£444.00	£414.00	£858.00
32	Western Isles	£306.00	£388.00	£694.00

Table 2
Burial Costs in Scotland²³

Additionally costs do not appear to follow directly with affluence of an area and ability to pay for a lair. The island communities (Western Isles, Shetland and Orkney) have no datazones in their authority living in the 15% most deprived areas as defined by the Scottish Index of Multiple Deprivation (SIMD) 2012²⁴. However, in more sparsely populated areas poverty is often masked in attempts to make such measurements, despite this their costs for burial are around the cheapest in Scotland. Additionally, due to the unavailability of cremation options on the islands, it is most likely costs for burials are reflected to take account of this.

Glasgow has 42% of datazones in the 15% most deprived areas of Scotland yet their costs for burial are amongst the highest in Scotland. Inverclyde has a high proportion of areas in the 15% most deprived yet it charges less than the average for a burial and internment. East Dunbartonshire and East Renfrewshire both have relatively low numbers living in the 15% most deprived SIMD zones yet they are at the opposite ends of the costs for burials (see Table 2). There therefore appears to be no correlation between levels of poverty in a local authority area and the charges levied for burial space.

Some local authorities in Scotland now also give the option of a woodland burial site. The charges for one of these lairs can sometimes be more expensive than the traditional grave (Midlothian: £513 for traditional lair, £1,146 for woodland lair), sometimes can be cheaper than a traditional grave (Stirling Council: £775 for traditional lair, £651 for woodland burial) and others charge the same (North Ayrshire Council: £519 for both traditional and woodland burial lair).

²³ Citizens Advice Scotland, Cost of Saying Goodbye, 2015, <http://www.cas.org.uk/publications/cost-saying-goodbye>

²⁴ Scottish Index of Multiple Deprivation, 2012, National Statistics, Scottish Government

Alternatively people could opt to have a burial at one of the burial grounds in Scotland not run by a local authority. Most of these operate a “woodland burial” scheme but there are others including some private spaces reserved for individuals of a particular faith group.

Private woodland burial spaces can range significantly in Scotland and they have spread out across the country (see figure 3). Lairs in private woodland burial spaces can vary in price but typically for a single lair the price in 2015 was found to be between £400 and £995²⁵. There have also been moves by some community groups to set up Woodland burial sites, currently the North-West Mull Community Woodland Company (a community landownership scheme set up with the support of the Scottish Land Fund) are in the process of applying for approval for a burial ground on their land.²⁶

²⁵ Prices taken for a number of private woodland burial sites in Scotland in November 2015

²⁶ North West Mull community Woodland Company Ltd, Minutes of Meetings, nwmullwoodland.co.uk

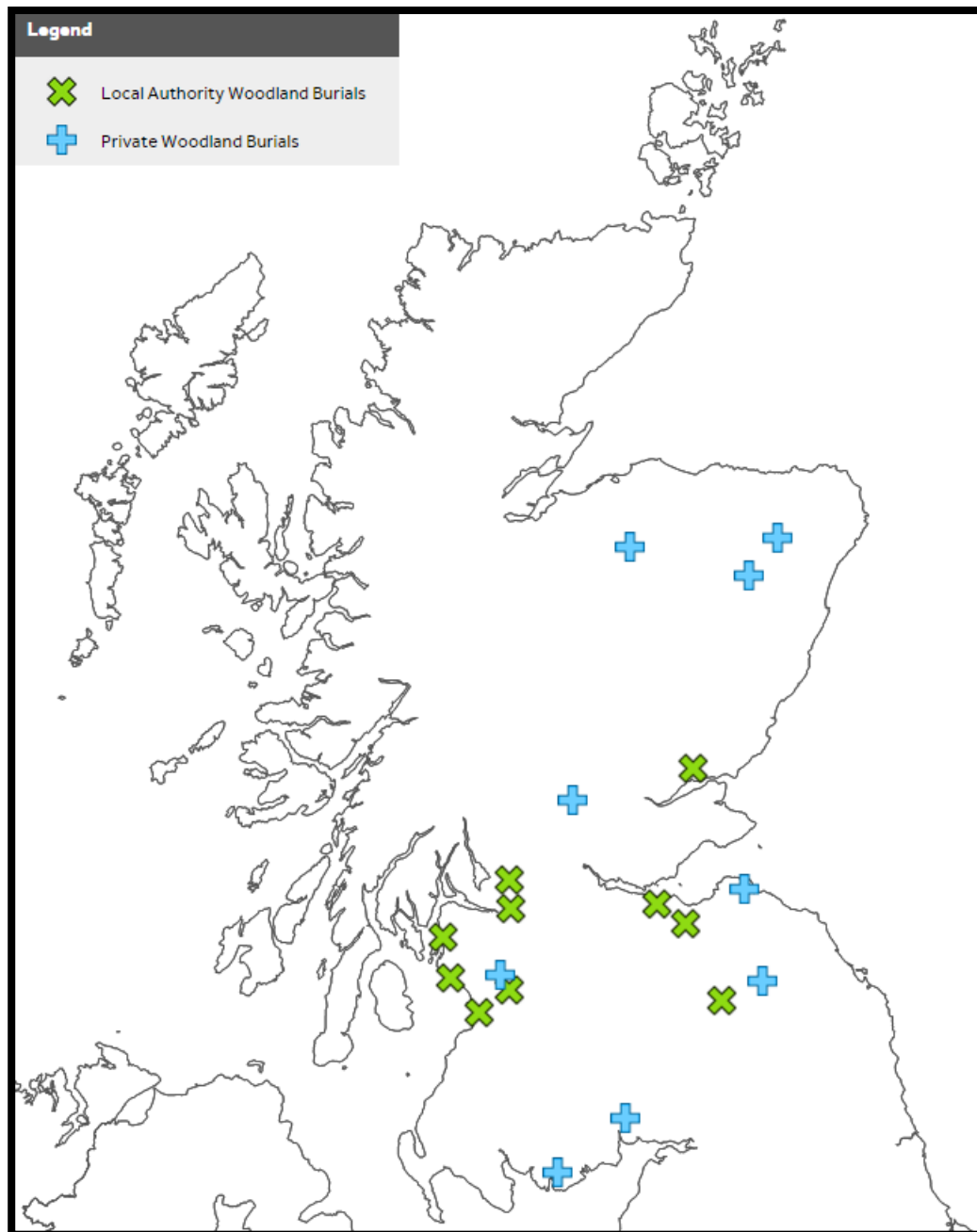


Figure 3
Woodland Burial Sites in Scotland
based on information supplied by the Natural Burial Society

Internment fees also differ quite widely across Scotland depending on the local authority a burial is carried out in. Internment fees are what is charged by the burial authority to prepare a grave for burial such as opening the space, laying any foundations required and relaying the grave once the burial has taken place. The charges for carrying out this service range from £306 in the Western Isles to £1,258 in East Dunbartonshire. Due to the large differences in charges for internment it could be reasonable to assume that some burial authorities charge less than the cost of carrying out such a service while others must inevitably be charging more than the

costs to carry out the opening and preparation of a single grave. It is recognised that some councils have large numbers of cemeteries to maintain, with associated high expenditure that burial fees may be subsidising the upkeep of.

East Dunbartonshire Council²⁷ raised cemetery charges by 18 per cent in their 2013/2014 budget to 'deliver £84,000 of additional income' which is being used to 'protect frontline services'. In response to a local newspaper²⁸ questioning the decision by the Council to raise costs by a further 50 per cent in 2014/2015 to raise an extra £89,000, a Council spokesperson said:

"The Council had some very difficult decisions to make while facing increased budgetary pressures. Every effort was made, where possible, to introduce or increase charges for certain services, rather than removing services. We realise that burial charges are a sensitive issue but we promise to work with residents who are struggling to pay these charges in difficult times."

One council official who heads up burial services in East Dunbartonshire Council described the level of charges at a Scottish Parliament Committee²⁹ as "ridiculous". She went on to explain that the recent increases in charges were leaving many families in East Dunbartonshire struggling to meet the costs:

"Three years ago, the council increased the prices by 25 per cent and then two years ago it increased them by 50 per cent. There was a huge jump in cost over two years. Last year, the cost went up by the rate of inflation. I do not know what the council is going to set the prices at this year. Obviously, councils' budgets are financially tight and they all need to make savings. I do not know what the cost is going to be this year, but I am hoping that the council freezes the prices because it has come to saturation point with a lot of families and they just cannot afford it"

Edinburgh City Council identified an increase in cemetery charges as part of their five year budget framework which would see an increase of between £13,000 and £26,000 income to cover budgetary pressures. The council said as part of their budget plans³⁰ that it 'was operating in an extremely challenging financial climate brought on by central government spending cuts and the Scottish Government's council tax freeze.'

²⁷ East Dunbartonshire Council, 2013, Budget Statement, 15th Feb 2013

²⁸ Kirkintilloch Herald, 2014, RIP Off – anger at 50% hike in East Dunbartonshire burial charges, 27th February 2014

²⁹ Scottish Parliament Official Report, Local Government and Regeneration Committee, 6th January 2016

³⁰ Edinburgh City Council, 2013, Draft Revenue Budget Framework 2013-2018, Appendix 3: Additional Income Options

Cremation Costs

Cremation costs also vary across Scotland between crematoria, however the differences are not as marked as the ones seen in burial charges (Table 3). Cremations are cheaper than a burial in all areas of Scotland and as with burial fees these charges are only part of the cost of a funeral and do not include other costs including funeral director charges or additional items.

Many crematoria in recent years have gone through a number of changes in meeting regulations such as installing mercury abatement measures and some have installed new cremators to meet the amount and type of demand for their services. This may explain to a certain extent the difference in prices. For example, one private operator runs four different private crematoria in Scotland but charge different rates across the country. These range from one of the cheapest private crematoria in Scotland to the higher end of the cost range. It is however noticeable that in areas where there are multiple crematoria for people to choose from that prices tend to be lower. The most expensive crematoria tend to be in areas where a single private operator is the only one for a significant radius. Conversely however some private crematorium have fees cheaper than that of some local authorities.

Generally the range in prices for cremation (£380) is significantly less than the range in prices for burials in Scotland (£2,100). It is currently estimated that around 75% of the deceased in the UK are cremated with the remaining 25% having a burial. An Engage Mutual research publication³¹ stated:

“Demand for burial or cremation will largely be determined by individuals’ preferences. A poll carried out on behalf of Engage Mutual in 2012 found that 51% said they would like to be cremated and 19% said they would like to be buried, while 30% of people were unsure of their preferences upon death.”

³¹ The Funeral time bomb, April 2015 www.ilcuk.org.uk/images/uploads/.../Funeral_Timebomb_UPDATED.pdf accessed 09.12.2015

2015	Crematorium	Ownership	TOTAL³²
1	Moray	Private	£890.00
2=	Dundee	Private	£883.00
2=	Friockheim (Angus)	Private	£883.00
4	Irvine	Private	£778.00
5	Perth	Local Authority	£749.00
6=	Melrose	Private	£735.00
6=	West Lothian	Private	£735.00
8	Dumfries	Private	£715.00
9	Holytown	Private	£701.00
10	Aberdeen	Local Authority	£693.00
11	Warriston (Edinburgh)	Private	£685.00
11=	Seafield (Edinburgh)	Private	£685.00
13	Mortonhall (Edinburgh) <i>median</i>	Local Authority	£680.00
-	SCOTTISH AVERAGE	-	£671.00
14=	Ayr	Local Authority	£651.00
14=	Craigton (Glasgow)	Private	£651.00
16	Inverness	Local Authority	£638.00
17=	Dunfermline	Local Authority	£626.00
17=	Kirkcaldy	Local Authority	£626.00
19	Maryhill (Glasgow)	Private	£625.00
20	South Lanarkshire	Local Authority	£599.40
21	Falkirk	Local Authority	£579.00
22=	Clydebank	Local Authority	£570.00
22=	Paisley	Private	£570.00
24=	Daldowie (Glasgow)	Local Authority	£568.00
24=	Linn (Glasgow)	Local Authority	£568.00
26	Cardross	Local Authority	£523.00
27	Greenock	Local Authority	£511.60

Table 3
Cremation costs across Scotland³³

³² Prices are for adult cremation for a local resident during normal weekday hours. (Some crematoria offer the same price for Saturday cremations)

³³ Citizens Advice Scotland, Cost of Saying Goodbye, 2015, <http://www.cas.org.uk/publications/cost-saying-goodbye>

2. Funeral Director's charges

The market between funeral directors is a successful and competitive one and this has driven a need for high customer care. Being successful in this is important to firms to ensure return businesses. Both NAFD and SAIF promote high levels of customer care to their members and require their members to display their price lists, and to make a copy available to each customer when arranging a funeral. Both also require their members to give a written itemised estimate to the customer for the funeral arranged. While there is guidance on what should be listed on such an estimate, for example SAIF Code of Practice Section 6.2.2 states:

- Professional fees
- Removal of the deceased
- Coffin or Casket (including fittings and interior)
- Embalming/Hygienic Preparation
- Hearse(s)
- Limousine(s)

There is no standard wording to describe these items, and the details may vary; for example what is covered by professional fees, mileage limits for removal, and for vehicles on the day of the funeral. Nor is it often clear what is required, and what the customer can provide themselves. This makes comparison between one funeral director's charges and another's difficult. Nevertheless there is a wide variation in costs, and a new comparison website, using secret shoppers and a "standard" descriptor for the funeral. For example using an Edinburgh postcode we found a range of prices for Funeral Directors between 16 funeral directors within a six mile radius ranging from £1,620 to £2,842. Across Scotland and the UK the difference can be higher and we found variations in places of over 100%³⁴. It is important to note that the industry stress that levels of service are not always the same between different firms and that it is not always easy to compare just headline price figures and that not every funeral director offers exactly the same services as part of their professional services.

The standard descriptor used by the price comparison website consists of four items:

- Collection and Care of deceased
- Arrangement of Funeral service
- Provision of a Hearse
- Whether there are restrictions on timing (for example only certain days or times may be available or you may not be given any choice in date and time)

A fuller list of what is involved in funeral director's costs might include:

Professional fees:

- Advising the client
- Availability and work of staff (most directors offer a 24/7 service)

³⁴ www.yourfuneralchoice.com

- Completing paperwork
- Phone calls and emails
- Making necessary arrangements
- Pre-paying the disbursements

Removal of the deceased:

- Collecting the deceased from the place of death (usually subject to a mileage limit with an additional charge per mile over that)

Care of the deceased:

- Washing and dressing the deceased (shroud or own clothes)
- Refrigerated storage of the deceased until funeral (sometimes with a limited duration)
- Hygienic treatment (a basic treatment against leakage)
- Embalming of the body (different levels of embalming depending on length of storage and viewing options)

Coffin or casket:

- All funeral directors will offer a range of coffins, with prices running from around two or three hundred up to several thousand pounds
- Some funeral directors will allow families to supply the coffin themselves, subject to it meeting prescribed standards

Hearse and Limousine(s):

- Some packages will include one limousine, with additional charges for more
- A mileage charge may apply over a certain radius
- Funeral directors often stress the make and registration year of the vehicles, and may offer older vehicles in cheaper packages.

On the price of coffins, it is interesting to note how people viewed the cost of the coffin and how they selected the coffin they used when arranging a funeral The YouGov survey³⁵ conducted for Royal London gives information as in Table 4.

The Office of Fair Trading recognised the difficulty families have in making purchasing decisions at the time of bereavement and said in their 2001 review of the funeral industry:

“A funeral is the classic ‘distress’ purchase. People are unlikely to spend a lot of time thinking about the purchase prior to the need.”³⁶

³⁵ YouGov findings for Royal London, Field work Date 11 June -15 July 2015

³⁶ Office of Fair Trading (2001), Funerals

http://webarchive.nationalarchives.gov.uk/20110704140623/http://oft.gov.uk/shared_oft/reports/consumer_protection/oft346.pdf accessed 10.12.2015

q14. Would you say the cost of the coffin/shroud was...

Base	204
Much more than expected	5%
More than expected	19%
What I expected	50%
Less than I expected	4%
A lot less than I expected	2%
Don't know	17%
Would rather not say	2%

**q15. How did you decide how much to spend on the coffin and shroud?
Please choose all that apply.**

Base	204
Went for the cheapest available	11%
It was the one the funeral director recommended	28%
We weren't given a choice	2%
The deceased deserved the best	13%
We didn't want to look like we were doing it "on the cheap"	12%
The deceased specified what they wanted	20%
The money was available (from the deceased) so no need to economise	22%
Can't remember	7%
Prefer not to say	0%

Table 4

A CAB in the West of Scotland reports of a client who came to the bureau seeking assistance in meeting the costs of a funeral for his late brother. The client is on disability social security payments and doesn't have enough money to cover the basic costs of a funeral. His situation is that he either must find a £500 deposit to pay one funeral director for a funeral that totalled close to £3000 or use a cheaper funeral director which would be half the price but would need to be paid up front in full. The client should be eligible for a social fund award which could meet the costs but this would only be claimed back afterwards.

Deposits: In recent years funeral directors have begun to require customers to make an advance payment when arranging a funeral. This is normally based on the cost of disbursements, but also gives the funeral director an indication if there are going to be problems paying the full account. The industry has suggested that this may be linked to the rising debt that is held on behalf of clients by funeral directors and they cannot always provide without a deposit to protect against their costs.

A CAB in the East of Scotland reports of a client who is in the process of arranging a funeral for her son who had recently passed away. Although she had been estranged from him for a number of years, she was his only close living relative. While she qualifies for the social fund funeral payment the undertakers require her to pay £700 up front before they will arrange any of the funeral. The client was visibly distressed by the situation and didn't know where she would get the £700.

3. Additional expenditure

In addition there may be discretionary items, such as flowers, press notices, printed orders of service, memorials, catering and venue hire which a family choose to add to the "basic" list above. Details of how much these may cost on the average funeral bill is estimated by the Money Advice Service as the following³⁷, however they can vary extensively depending on what is chosen.

Flowers - £160

Death notice in paper - £90

Additional limousines - £250

Minister fees, religious or secular officiant or celebrant - £140

Order of service sheets - £70

Catering for wake/funeral reception - £380

Venue hire for a wake/funeral reception - £120

Memorial headstone or plaque - £780

³⁷ www.moneyadviceservice.org.uk accessed 09.12.15

4. The level of personal finance available to pay the bill

“Sometimes our clients are JUST coping as it is but then a funeral is needed unexpectedly and it suddenly tips them into complete financial difficulty”

CAB Adviser, Focus Group

Throughout this review many individuals both working in the industry and consumers have referred to changing habits and customs on saving for a person own funeral. It was seen by many that setting money aside to pay for the funeral was seen as hugely important in the past, and whether that was set aside in cash, or in an insurance or savings scheme, it was something which “previous generations took seriously as a sign of honour”. For many people today that remains so, and industry figures suggest more people are opting for funeral plans and over 50s insurance policies than was the case in previous years. In 2015 SunLife found that almost 50% of funerals (49.56%) were fully funded by provision made by the deceased.

However, for many others all or part of the cost of the funeral is something which is left to the next generation to meet. In 2014, a YouGov poll found that among those who arranged a funeral in the past five years, 22% of people said the deceased had left no financial provision for the funeral and research by the Institute of Cemetery and Crematoria Management found that 19% respondents struggled to meet funeral costs³⁸.

For many consumers, access to credit is an important factor when paying for funerals. The UK Cards Association detail that one of the largest average transaction value on credit card bills is for funeral services³⁹. Most recent figures from the UK card association⁴⁰ show that there were 154,223 credit card transactions for funeral services for a total value of £182,227,100 between November 2014 and October 2015 in the UK. This means an average credit card transaction for funeral costs holds a value of £1,181. Debit card transaction data also shows a slightly higher average transaction value for funeral services at £1,363. Again for the period between November 2014 and October 2015 £580,048,112 was spent in 425,290 funeral service transactions⁴¹.

The nature of a funeral is that it is often an unexpected purchase – because the death was unexpected, but also because the cost was unexpected. A variety of

³⁸ The Funeral time bomb, April 2015 www.ilcuk.org.uk/images/uploads/.../Funeral_Timebomb_UPDATED.pdf accessed 09.12.2015

³⁹ UK Plastic Cards 2013; UK Card Association; https://assets.digital.cabinet-office.gov.uk/media/534ea933e5274a3774000005/The_UK_Cards_Association_response_to_competition_between_PDLs_and_other_credit_providers_WP.pdf accessed 10.12.2015

⁴⁰ Card expenditure statistics (2015); UK Cards Association; <http://www.theukcardsassociation.org.uk/2015-facts-figures/index.asp> accessed 10.01.2016

⁴¹ Card expenditure statistics (2015); UK Cards Association; <http://www.theukcardsassociation.org.uk/2015-facts-figures/index.asp> accessed 10.01.2016

factors such as welfare reform, reduction in the availability of credit and the freezing of wages have impacted people's available resources to meet such sudden and unexpected expenditure. Earlier this year the Money Advice Service estimated that 1 in 10 people in Britain had less than £10 left at the end of the month.⁴² Additionally the Scottish Government estimates that 730,000 people (14% of the population) currently live in poverty.⁴³ Such families and individuals are therefore in a crisis situation when faced with a large bill for an unexpected purchase.

A CAB in the North of Scotland reports of a client who came for emergency support after spending all of her month's income on a funeral for her recently deceased fiancé. Client was supported to make an application for a Crisis Grant and also referred to the local foodbank who would give her supplies for the immediate future. The client reported that she is very depressed about the situation of her fiancé's death and the pressure to organise the funeral despite having no money.

A CAB in the West of Scotland reports of a client who is struggling to make the arrangements for her mother's funeral. She is earning minimum wage and already has a large amount of outstanding debt. She is not eligible for any funeral grant support and the funeral director she went to ran a credit check and wanted the full payment upfront due to her poor credit score. The client doesn't know how she can find over £2,000 for the basic funeral package.

5. The level of assistance available to those who cannot pay

Until 1998, it was expected that a funeral would be arranged by a family, using their own resources, often including money that had been set aside for the purpose by the person who had died. A government Death Grant was also available where the deceased had paid their National Insurance contributions.

In 1998 the government discontinued the universally supplied Death Grant and introduced the Social Fund Funeral Payment (SFFP) to help those who could not meet the cost of the funeral who were in receipt of qualifying social security support. In subsequent years the Funeral Payment was uprated periodically to ensure that it covered both the cost of the burial or cremation and the cost of "other expenses" which included the funeral director costs. However, in 2003 the government capped

⁴² https://blog.moneyadviceservice.org.uk/only-10-left-the-disposable-income-of-one-in-ten-brits?utm_source=Facebook&utm_medium=organicsocial&utm_content=Organic&utm_campaign=Social

⁴³ Poverty in Scotland – a joint report from Scottish Government and the Poverty Truth Commission June 2015 www.gov.scot/resource/0048/00480340.pdf accessed 09.12.15

the “other costs” element at its then level of £700 and redefined it as a “contribution” towards the other costs. The “other costs” payment has remained at that level since 2003 and over the past 12 years Funeral Poverty has developed with a widening gap between the rising costs of funerals on the one side and the decreasing real terms value of the SFFP on the other. In recent years the effects of welfare reform and frozen wages on people’s personal resources have served to widen the gap yet further.

A CAB from the South of Scotland reports of a client who has received confirmation from the DWP that they were successful in their application for a funeral payment for her brother’s funeral. However the award totals £1,390 and the funeral director has priced the funeral at £2,600. The client is left with a shortfall of £1,210 but has already asked the funeral director to cut back on unnecessary costs. The client does not know how she will pay the shortfall.

As a result of some of these concerns the Work and Pensions Committee of the House of Commons opened an inquiry into Bereavement benefits on the 1st December 2015 with a look to providing recommendations to the UK Government on how these support payments can be improved.⁴⁴

⁴⁴ Bereavement Benefits Inquiry, Work and Pensions Committee, <http://www.parliament.uk/business/committees/committees-a-z/commons-select/work-and-pensions-committee/inquiries/parliament-2015/bereavement-benefits-15-16/> accessed 02.12.2015

Funeral costs and income

Using the average cost of a funeral as above, and salary information published by the Office of National Statistics it is possible to calculate the number of month's salary required to pay for an average funeral. Additionally for those on social security income there may be the option of applying for a SFFP.

Main income job or benefit	Number of months income required for average funeral (£3,500)	Number of months income required for basic funeral (£2,300)
Chef	2	1.5
Call centre staff	2.5	2
Waiter/bar staff	3.5	2.5
State Pension	7.5	5
Job Seekers Allowance ⁴⁵	12	8

Table 5

Example of link between income and funeral costs

Unbalancing the support for funerals

While there have long been questions as to the cost of funerals and how people can pay for them, the current funeral poverty crisis can be traced back to 2003, when the Funeral Payment was recast as a contribution to the cost of a funeral, rather than as resource to ensure the full payment. As illustrated below, in 2003 there was balance between the Funeral Director costs and Disbursement costs on the one hand, and the personal resources and assistance to pay on the other hand. However in the past 12 years the balance has tipped and increased year on year, as has been evidenced by reports such as the Sun Life annual reports on the cost of dying. As the costs of the funeral have increased, and the real value of the SFFP has decreased and people's personal resources have decreased or remained frozen, so the reality of funeral poverty has become apparent.

Going forward, all the indications are that costs will continue to rise, and that the real terms value of the capped SFFP will continue to fall. With an expected increase in the death rate of 15% in the next 20 years, the funeral poverty balance can be expected to be further thrown unless ways are found to address it.

⁴⁵ Those in receipt of JSA would normally however qualify for social fund funeral payment

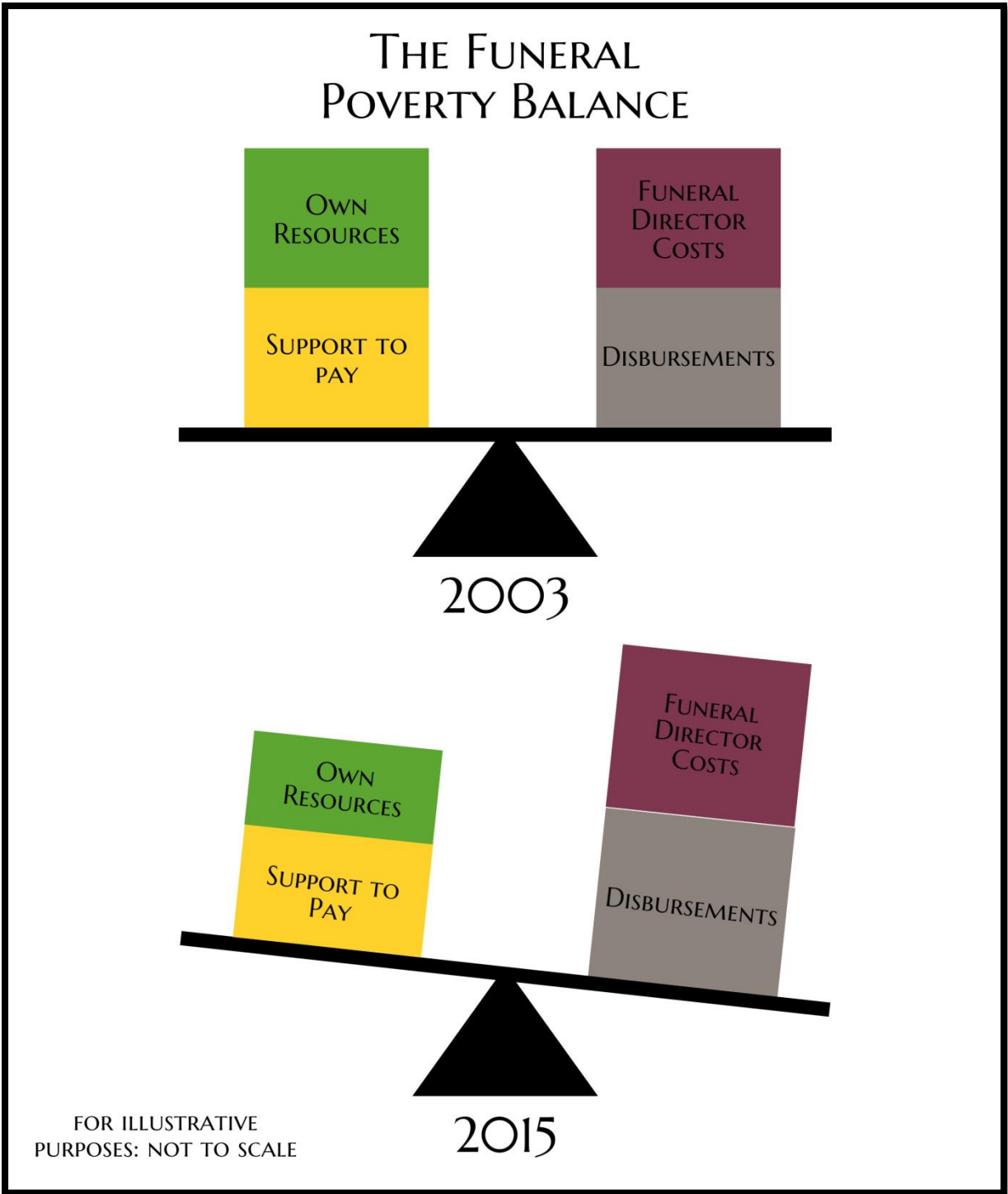


Figure 4 – The development of Funeral Poverty

How do people currently balance the funeral poverty gap

Of those who receive assistance under the SFFP, the average balance which the family still need to find to complete the payment for an average funeral in Scotland is shown below.

Average cost of a funeral in Scotland	£3,550
Average cost of basic funeral	£2,300
Average SFFP payment ⁴⁶	£1,375
Average shortfall for average funeral	£2,175
Average shortfall for basic funeral	£925

Table 6
Average shortfall experienced by recipients of SFFP

Where, for one reason or another, the person making the arrangements does not qualify for the SFFP, they will be liable for the whole cost of the funeral. This would be the case for what are sometimes called “the working poor” but also for those on social security but ineligible for the SFFP – for example because other family members have some savings.

Where do people find that additional money?

Where funeral directors are aware that payment is likely to be difficult, they will normally assist people to make an application for the SFFP, but they will normally also require a deposit, at least to cover their disbursements. This requires families to find between £500 and £1000 within a very short time-scale of perhaps just one or two days. The most common source of such money is to collect or borrow from family members, or to seek a loan. This may be from a bank, credit union or credit card but for those with low credit scores, a common alternative is to approach a high interest lender.

A CAB in East of Scotland reports of a client who had taken out a payday loan to pay a deposit that was due on her mother’s funeral. While she has applied for the social fund funeral payment she needed to pay deposit for the funeral to go ahead. To get the money she borrowed from an online payday lender. To pay them back after they harassed her at the weekend she failed to pay her rent on time and is now worried about how she will afford the rent arrears.

Funeral directors are usually prepared to offer clients time to pay off the balance of the account, but are not in a position to set up formal payment schemes because of

⁴⁶ Rising Funeral Costs – The Elephant in the Room, published by Royal London available at <http://www.royallondon.com/Documents/PDFs/2015/10299-Funeral%20Report%2052pp%20FINAL.pdf> accessed 26.11.15

credit regulations. For those without resources, there are stories of families holding collections, running fund-raising events, and launching crowd-funding appeals.

Where payment cannot be made within an agreed timescale – usually around 12 months, funeral directors can often pursue payments through debt collection agencies and potentially the courts. We are told that the funeral industry carries a large amount of bad payment debt, however for this review the industry has not been able to provide exact figures on the level of that debt for understandable reasons of commercial sensitive data. However it was estimated by one trade association this bad debt level could be expected to sit at around 1% of turnover in some firms.

“Often savings make it more difficult to access a funeral payment. I’ve seen situations where a client has a small amount of savings and the DWP have used this to refuse support.”

Hospital Chaplain, Focus Group

Funeral Plans

Despite the fact that in social attitude research only 9% of respondents had written down their funeral wishes or made an official plan⁴⁷ many individuals in Scotland do make formal financial plans to pay for their funeral. This may be through savings accounts, fixed prepaid plans or insurance products.

Popularity in recent years has grown for the pre-paid funeral plan. In 2014 147,000 funeral plans were sold across the UK by members of the Funeral Planning Authority (FPA) a significant increase on the 60,000 plans sold in 2005. The FPA also state that there are around 1,000,000 active plans in the UK waiting to be drawn on in the case of the holder passing away. There are numerous different companies offering funeral plans; some are linked to particular funeral directors (for example Co-operative FuneralCare) others are linked to members of a particular professional body (such as Golden Charter) and others are independent of funeral directors and place plans with a funeral director who is willing to take the business and act as sales agent rather than a professional funeral advisor.

One of the biggest Funeral Plan providers in the UK, Golden Charter, provides an explanation of what the aim of holding a funeral plan is:

“A funeral plan allows you to pay the cost of the funeral director’s services at today’s prices and gives you more control over your funeral arrangements.”⁴⁸

The plans can differ between companies in what they offer and what level of service is provided. Some plans cover all the costs of a funeral including a set amount of money for third party disbursements such as burial or cremation fees. Others may only provide basic funeral director costs and it has been raised with us at focus groups both the benefits of having a funeral plan and the downside of some of the sales people who it was felt where misleading as to what was included in the plan. The terms and conditions of all providers are required to have a list of items and services which are not covered, or not fully covered.

“It was all taken care of, I didn’t have to do anything. They came to the house to make some choices about the time and day for the funeral but everything else was done and paid for. So it was pretty good.”

Member of focus group whose Mother’s funeral was paid for by a Funeral Plan

⁴⁷ NatCen Social Research’s British Social Attitudes survey 2013, Scottish Respondents

⁴⁸ <https://www.goldencharter.co.uk>

“They were very pushy and I think trying to pull the wool over my eyes. I knew the amount they were quoting wasn’t enough to cover the cost, so I think they can mislead people”

Member of focus group who had been contacted by sales staff of a funeral plan provider

The FPA are the self-regulating body of funeral plan providers, who aim to ensure that all companies who are members uphold professional standards and to ensure that the money is safeguarded within a trust to ensure that finance is there at the time of need for a funeral.

Not all companies selling funeral plans are registered with the FPA. There is no obligation placed on providers of funeral plans to register with the FPA. However the FPA estimate that 98% of all plans sold today are with providers who are registered with them. Additionally there is no formal regulation of the sale of funeral plans. The Financial Services & Markets Act 2000 Order 2001 states that there are exemptions in place which funeral plan providers can meet in order to avoid being regulated as a financial firm handled by the Financial Conduct Authority (FCA). Essentially, there are two kinds of financial arrangement which, if the exclusion criteria are satisfied, will be excluded from the regulation:

- The money is held in a trust fund under the responsibility of the trustees, more than half of whom must be unconnected with the plan provider. The trustees must also appoint an independent fund manager, and apply specific accounting and actuarial requirements.
- The money is applied towards a contract of whole life insurance on the life of the customer

Details from the FCA shows that from their regulatory knowledge no funeral plan provider is currently authorised and regulated by the FCA for failing to meet the requirements set above. Despite this form of self-regulation there are concerns by plan holders in the way sales staff and literature information communicate what some of the plans include or does not include. There have also been concerns raised to us by some in the funeral plans industry of the robustness of some other operators trusts and their lack of funds to pay out on all the plans held. As the provision of funeral plans is not covered by FCA authorisation and regulation they are not covered by the Financial Services Compensation Scheme which protects against insolvency events or the Financial Ombudsman Service which provides an independent complaints and adjudication service free to the consumer. The FPA do state that trust law covers against insolvency events and that they have enacted a complaints process using a third party dispute resolution provider, IDRS Ltd.

Additionally, concerns over hidden fees being charged by plan providers had been raised in the House of Commons in autumn 2015.

To ask Mr Chancellor of the Exchequer, if he will assess the potential merits of creating an ombudsman for the funeral plans industry to investigate alleged instances of undeclared fees being deducted from the monies paid into such plans after the plan-holder has passed away.
– Julian Knight (4th September 2015)

Answered by: Harriett Baldwin

The government believes that consumers should be treated fairly and, as with all commercial transactions for services, customers of funeral plans have protection under the law from the Supply of Goods and Services Act 1982. From 1 October this year the Consumer Rights Act 2015 will replace the Supply of Goods and Services Act for business to consumer contracts, bringing even greater consumer protection.

In addition the Financial Conduct Authority (FCA) stipulates rules to ensure that sums paid by customers to funeral plans are safeguarded and available to pay for the funeral when needed.

The industry also has a self-regulatory body called the Funeral Planning Authority (FPA) and firms can seek registration with the FPA. The FPA provides a conciliation service to resolve disputes between funeral providers of registered trust-based funeral plans and customers.⁴⁹

An East of Scotland CAB reports of a client who sought advice concerning a funeral plan that she bought a number of years ago. She feels that no matter what she does, she is not going to get the funeral she wants or had planned for. When she bought the plan it was sold to her that it could be used at any funeral director and would cover all the costs. However it now turns out that the nearest funeral director who will honour this plan is over 30 miles away and she will only get the “basics”, as the funeral director put it, with the plan. The funeral director that she would like to undertake the funeral in her local town will not honour her plan as it belongs to a different company. Additionally she has spoken to the plan provider and they have said she will lose a lot of what she paid in if she cancels the plan. She feels she was misled and has got nowhere making a complaint.

We recommend that the UK Government and Financial Conduct Authority (FCA) review the current self-regulation environment for funeral plan providers, including the exemption under the Financial Services & Markets Act 2000 for funeral plans to ensure that plan providers are robustly protecting client funds and sales practices do not take advantage of vulnerable consumers. [Recommendation 3]

⁴⁹ House of Commons [Parliamentary Question 8623 9 September 2015](#)

Insurance Cover

Insurance plans which pay out when someone dies, often called Whole of Life plans or Over 50 plans sell a guaranteed pay out amount on the payment of ongoing premiums. With some policies, a client can stop paying once they reach a certain age, but with others they have to make monthly or annual payments right up until their death. Sometimes these plans have been advertised or referred to as “funeral” plans or “expenses on death” but often do not have any particular wishes for the funeral attached to the finances. However, some schemes offer the option of a link to a specific funeral director with whom they arrange a funeral plan.

Insurance Plans are financially regulated; providers are authorised by the FCA and are covered by the Financial Compensation Services Scheme and complaints can ultimately be settled by the Financial Ombudsman Service (FOS)⁵⁰.

Many Over 50 plans will pay out after just one or two years, which can be beneficial to people who struggle to save. However, a problem encountered with some Over 50's plans is that the customer may not understand that, where the policy terms and conditions allow, premiums can be payable indefinitely rather than for a finite term (the end result being that the customer may in effect pay more in premiums than the sum assured on death).

Typical issues that have been raised with us by consumers and regulators included that advisers at point of sale may play down the likelihood of a rate rise, using excuses such as improvements in mortality or failing to fully explain the small print.

The Financial Ombudsman Service details one such complaint they upheld regarding a reviewable insurance:

“Mr B took out a whole-of-life policy from the firm, as he wanted life assurance to help provide for his wife and family after his death.

“Ten years after the start of his policy, the firm contacted Mr B to say it had reviewed the plan and that he would have to double his contributions or accept a significant reduction in the amount of life cover that the plan provided.

“Mr B was shocked by this and he wrote to the firm to complain. He said that when the firm sold him the policy, it had not given any indication that it might subsequently reduce the amount of cover unless he paid increased contributions. The firm rejected Mr B's complaint, telling him that the possibility that the plan would be reviewed was outlined in the plan's terms and conditions.

⁵⁰ For more information on the different types of whole-of-life insurance see information provided by the Financial Ombudsman Service: http://www.financial-ombudsman.org.uk/publications/technical_notes/whole-of-life.htm accessed 11.12.2015

“When Mr B brought his complaint to us, we found that he had been given several confusingly similar sets of product literature, only one of which applied to his particular plan. Some of the literature he had been given referred to the fact that premiums would be “level” in the future and suggested that they could not be altered.

“The possibility of plan “reviews” was mentioned in one of the booklets that Mr B had been given. However, the information was not given any particular prominence and the significance of the reviews was not explained in any detail, or in what we considered to be a very understandable manner.

“At the time of the sale, the firm's representative had written to Mr B, setting out why the whole-of-life plan had been recommended and giving a broad description of how the plan worked and of the benefits it provided. However, the letter did not mention that benefits could be altered in future or that increases in contributions were possible.

“We therefore upheld Mr B's complaint. We said the firm should refund the contributions that he had made, and pay him an additional sum (less the cost of the life cover he had received) to compensate him for the loss of investment opportunity.

Consumer rights campaigners have in the past criticised the provision of some of these plans in the poor value as they see it. Martin Lewis of moneysavingexpert.com has openly and often criticised the poor value for money of over 50's plans, the effects of inflation on the value of the plan and the need to continue to pay premiums even through difficult times or ill health and one missed payment can mean you lose all of the value of the plan⁵¹.

We recommend that the FCA consider current intelligence and consumer complaint volumes and trends through the Financial Ombudsman Service regarding Whole of Life, Over 50's and similar types of insurance plans to decide if a thematic review of this market would be beneficial in protecting consumers interests. [Recommendation 4]

⁵¹ www.moneysavingexpert.com/insurance/over-50s-life-insurance accessed 09.12.15

Local Authority Funerals

If there is nobody to take responsibility for a funeral, or if the family simply cannot pay, or refuses to pay, the final responsibility for the funeral lies with the local authority currently under provisions in the National Assistance Act 1948 or the Social Work (Scotland) Act 1968. The current Burial and Cremations (Scotland) Bill 2015 seeks to replace these acts with new duties that mean local authorities must: “make arrangements for the remains to be buried or cremated.”⁵²

In 2014 Citizens Advice Scotland sought information from all Scottish Councils on the number of these funerals being carried out in Scotland and the cost of providing this service. CAS found that there were 451 national assistance act funerals carried out in Scotland in 2013 which compares to 456 in 2010, 475 in 2011 and 464 in 2012. Despite the relatively flat number of funerals carried out there has been an increase on total spent on these funerals in the period with total costs in 2013 across all 32 local authorities being £452,748 compared with a total spend of £374,231 in 2011.

Common practice in running such funerals see a local authority employ, through a tendering process, a local funeral director to carry out their services for all these types of funerals in their area. A contract is agreed between the local authority and local funeral director as to the service provided and the cost for each of these funerals carried out. There are differences between local authorities in what they ask funeral directors to provide and what type of disposal process supplied by the council is used. For example we found some local authorities paid for newspaper notices and memorials as an addition to basic services. In some areas viewing of the body by family members was included while in others it was not. While the lack of consistency is to be regretted it does appear in most areas across Scotland that a respectful funeral is carried out by the funeral director and the local authority involved in these cases. There have been criticisms by some elected members of the Scottish Parliament⁵³ that the use of shared and unmarked lairs for national assistance funerals with other people unrelated to the deceased is not dignified or respectful. However it was unclear to us through our work how many councils this applies to and the impact on people in these areas.

The Burial and Cremation (Scotland) Bill 2015 proposes (section 56 *et seq*) a continuation of this policy. There has developed a tendency in the media to refer to such funerals as “paupers’ funeral” and we find this term offensive and not based in what is actually provided. We believe that it is important to include in legislation that such burial and cremation should be dignified and respectful, and that regulations should be drawn up under the act to ensure this is the case. We will return to this in Part 2.

⁵² Burial and Cremations (Scotland) Bill 2015

[http://www.scottish.parliament.uk/S4_Bills/Burial%20and%20Cremation%20\(Scotland\)%20Bill/SPBill80S042015.pdf](http://www.scottish.parliament.uk/S4_Bills/Burial%20and%20Cremation%20(Scotland)%20Bill/SPBill80S042015.pdf) accessed 10.12.15

⁵³ Paupers' grave shame: 10 penniless Scots every week are buried in unmarked plots at councils' expense
<http://www.dailyrecord.co.uk/news/scottish-news/paupers-grave-shame-10-penniless-4766298#KMHebP9req00Brvg.99>

There are some concerns currently about the provision of these funerals where a prisoner has died while in prison. It has been brought to our attention by clients of Citizens Advice and the Scottish Prison Service⁵⁴ that there can be disagreement between local authorities about who is responsible for funding a funeral when someone dies in prison. This can leave some families in limbo or indeed a funeral not taking place due to disagreements in funding which is not a satisfactory situation.

We recommend that the Burial and Cremations Bill is amended to give specific provisions for who is responsible for a national assistance funeral when someone dies in prison. Alternatively we would welcome much clearer guidance on the issue to ensure a consistent approach for prisoner's families across Scotland. [Recommendation 5]

⁵⁴ Submission for Scottish Prison Service to Burial and Cremations Bill
http://www.scottish.parliament.uk/S4_LocalGovernmentandRegenerationCommittee/General%20Documents/07_ScottishPrisonService.pdf accessed 07.01.2015

Effect of Funeral Poverty on grief

While death is a natural process, and grief is a normal reaction, the death of a close family member or friend has a strong effect on those who are bereaved. Grief can be a “complex emotional syndrome, encompassing myriad reactions, durational changes and cultural differences”⁵⁵. Worden refers to the “concurrent changes and crises that follow a death” as factors which affect how an individual experiences grief, and debt can clearly be seen as one such factor.

If an individual is unable to pay the cost of the funeral, there are two possible outcomes. Either they take on a level of debt which may create a distress that can interfere with the grieving process, or they may seek to reduce the expense and provide “less of a funeral” in which case guilt and stigma may interfere with grieving.

In recent research for Cruse Bereavement Care Scotland⁵⁶, a one way analysis of variance was conducted to investigate whether there were differences in the severity of grief symptoms across different income groups, and it was found that grief symptoms increased inversely with income.

While this does not reflect directly the experience of funeral poverty as we have defined it, it may suggest that those on low incomes, who have a more difficult grief experience, may also have less resilience to the effects of funeral poverty.

A member of a focus group of people in advisory and support roles reported of the events following the death of a service user in her late 40s. She’d been saving for her funeral and had £2000. Her mother was her next of kin and was on a range of benefits, however wasn’t eligible for the social fund funeral payment. The service user had too much money for the local authority to take on responsibility. The total cost of the funeral (which was not elaborate) was about £3600. The service user’s sister is in work (low paid) and so took on responsibility for the funeral costs. She borrowed money from the service user’s children (who are also living in poverty) and other family members. That raised around £500. She was left with a debt of around £1000 and no idea where she would raise that money.

When this focus group member met with the service user’s sister three weeks after the death she was extremely stressed and anxious about this debt. She felt that she hadn’t been able to really engage with her grief because her life was dominated by the stress of worrying how she will pay this debt. This stress appeared to be having an impact on her health. She was really unable to see a way out.

It also appeared to be having an impact on family relationships. The service user’s children were filled with guilt that they were unable to contribute to the debt and so were avoiding their aunt to some extent.

⁵⁵ Stroebe M *et al* (2008) Bereavement Research: Contemporary Perspectives in M. S. Stroebe *et al* (Ed) *Handbook of Bereavement Research and Practice* APA. Washington

⁵⁶ Unpublished research finding Cruse Bereavement Care Scotland (2015)

Summary of Issues in Part 1

It is estimated that around 10% of people will struggle to pay the cost of a funeral for which they are responsible – in Scotland, with around 55,000 funerals, that could be around 5,500 people. However, this data is not fully robust to make such wide reaching estimates and a better understanding of the amount of people struggling is needed. Many of these funerals where people struggle to pay will be being arranged by families, and the impact of the debt will be on several family members making the impact much wider than the quoted numbers.

The amount of debt taken on will vary depending on whether the funeral is a burial or a cremation, and whether they are eligible for assistance, but on average the shortfall in Scotland, from data supplied by Royal London, is £1573⁵⁷. The degree of debt is expected to rise, both at an individual and at a national level. The International Longevity Centre calculates that the level of funeral debt across the UK will rise from £142m in 2014 to £250m by the mid-2030s⁵⁸

Throughout this report, statistics have largely been drawn from UK wide surveys conducted by YouGov for Royal London and Sun Life. These surveys have limited numbers from Scotland and we believe that a wider sample size would give a clearer view of the situation in Scotland.

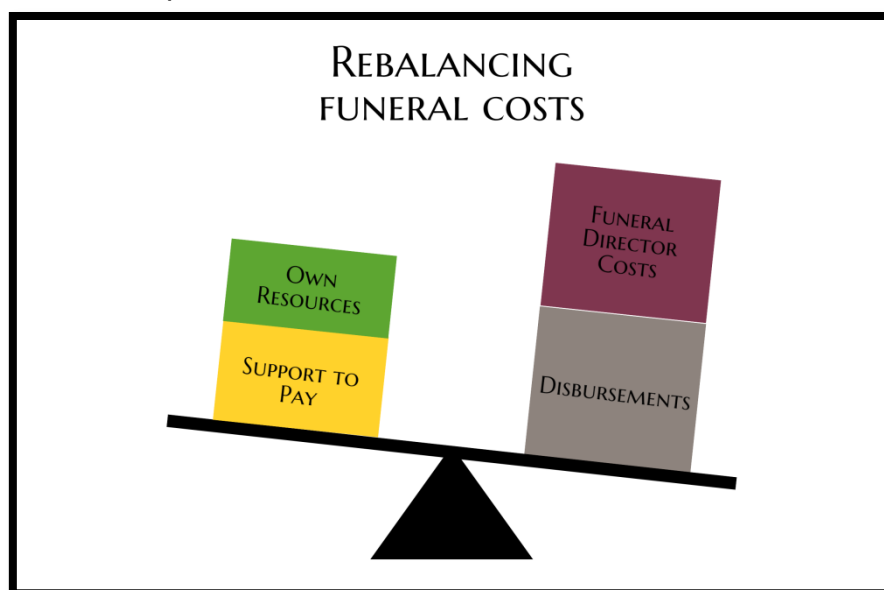
We recommend that the Scottish Government undertake further research to better understand the numbers of people in Scotland affected by rising funeral costs and how this impacts on their ability to afford a respectful funeral for their loved one and how it impacts their experience of grief. [Recommendation 6]

⁵⁷ Scottish data extracted and supplied by Royal London from their YouGov survey data

⁵⁸ ILC-UK (2015) *The Funeral Time Bomb*

PART 2 – THE WAY FORWARD

In Part 1 we have introduced the nature of funeral poverty, and offered a view of its causes, extent and impact.



In Part 2 we turn to what can be done to address the current, and future, effects of funeral poverty, as prices for both funeral director costs and burial/cremation costs continue to rise, and as neither the individual resources of those on low incomes nor those facing poverty, nor the value of the Social Fund Funeral Payment show any immediate signs of increasing⁵⁹.

There would appear to be two basic ways to address the issue:

A: Rebalancing the difference between costs and resources

This could be done by any combination of addressing four issues:

1. Reduce the funeral director costs element of the funeral bill.
2. Reduce the costs of burial/cremation
3. Increase the assistance available from the state to meet the gap
4. Increase the personal resources of the person meeting the costs.

While any solution under this heading would probably require a combination of all four adjustments, we will address them separately.

⁵⁹ On December 2015 Frank Field, MP, Chair of the Work and Pensions Select Committee at Westminster announced an enquiry into the benefits that support bereaved people.

1. Reduce the Funeral Director Costs element of the Funeral bill

As we have already seen the Funeral Director Costs comprise a list of items and services which the bereaved family purchase for the funeral. Principal among these are the fees charged for professional services, and the cost of the coffin.

As commercial organisations, funeral directors can of course set their own fees, which they do with respect to competition and costs to their businesses. Funeral directors mainly offer a 24/7 service, and are required to maintain premises which include expensive equipment for refrigeration, moving and handling and preparation of the deceased. They also keep a fleet of specialist vehicles. Their service is labour intensive to the extent that the average funeral may have 4 or more staff members involved in the funeral in addition to the administrative staff. These and other factors contribute to the calculation of their fees. Going forward the introduction of a national living wage may be expected to impact the wages of some staff, and therefore contribute to higher charges

The other major item in the Funeral Director costs is the coffin. The cheapest coffin in the funeral director's price list is usually around £250 to £350. The range of coffins on offer can vary substantially in price depending on the type chosen and price lists we have seen as part of this review show coffins typically ranging from £295 to £2,500. In discussion with funeral directors they revealed the most commonly chosen coffin by those arranging a funeral to be in the region of £400.⁶⁰

In the Royal London survey, the average spent on a coffin last year in Scotland was stated at a much higher £1,017⁶¹. Interestingly the average spent by those in the lowest income band was much the same as spent by those in the higher income bands.

The two largest companies, Dignity and Funeralcare, manufacture their own coffins due to the large number of funerals they assist with every year. Other funeral directors buy them from specialist coffin manufacturers or from another larger funeral director firm that sells to the trade.

The upselling of coffins by funeral directors is a regular criticism of the industry and was raised by members of the public we met, with a suggestion of customers being led to the mid-range as a starting point. Funeral Directors stated to us this was not permitted under the NAFD and SAIF respective codes of conduct and good practice guidelines and no member of staff was encouraged to do this.

It should be noted that one funeral director told us he charged for the coffin at cost, recognising that his profit is already included under professional fees, however clearly business models vary between different firms.

⁶⁰ These prices are based on figures supplied from major funeral directors operating in Scotland and whose combined business makes up almost half of the total funerals carried out in Scotland.

⁶¹ YouGov findings for Royal London, Field work Date 11 June -15 July 2015

A number of companies have recently started selling coffins direct to the public and many funeral directors will now accept a family supplying their own coffin, subject to it meeting the requirements of a crematorium.

While these are the main two items in Funeral Director costs, there are a range of additional services for which funeral directors may make an additional charge, such as viewing of the body, order sheets for the service, additional limousines and memorials. One service which was frequently referred to by people we met, was embalming with some funeral directors being said to require customers to agree to this for health and safety reasons, and others “highly recommending” it so that the body can be viewed. There was some concern about how embalming is explained to members of the public, and how clear it was made that this is not an essential service. One funeral director told us: “Embalming is an intrusive procedure, and families may not wish to contemplate the details.” Another funeral director told us “A qualified embalmer will do much to improve the presentation of the person who has died in most circumstances.” Nevertheless there could be improvements made to the way in which embalming is explained to families by some firms, especially those who “require” it be carried out.

It should be noted that many Funeral Directors take steps to help the family reduce costs to a level that they can afford. This is done in a variety of ways depending on the funeral director, but feedback from clients of CAB and member of the public in focus groups we spoke to were on occasion complimentary of the assistance the Funeral Director gave in keeping costs down.

A CAB in East of Scotland reports of a couple who came for help with funeral costs. Their child had passed suddenly and had affected the family a great deal. The couple were very complimentary of the help they had from their local funeral director and the fact they were giving their services for free (for a child's funeral). The clients needed to apply to the social fund for the costs of the burial plot which the CAB assisted with.

A CAB in North of Scotland reports of a client who wanted to appeal the result of a social fund application. He had been turned down due to his estranged brother's possible income. The CAB were assisting with the appeal while the Funeral Director ensured the service went ahead with what he could afford. They assisted him to choose some ways to keep the cost down including changing the type of coffin to a similar model, the client reports they also gave him a small discount because of his circumstances.

While funeral directors are independent traders, and can set their own charges, both the trade bodies require their members to display their price lists, to make their price lists available to clients, and to give a written estimate of the cost of a funeral once it has been agreed.

There is a strong argument for the development of a standard descriptor for a “simple” funeral, for which all funeral directors should be required to issue an itemised price list, using a standard template, displaying it in their premises and on their websites. This would allow for simple comparison between companies. We shall return to this under the section on the Scottish Funeral Bond.

It should be noted that providing a price for a simple funeral, as standard, had been common practice by funeral directors for over 35 years. Industry code of practices had incorporated a requirement for their members to supply a simple funeral price in their code of practice following the 1977 Price Commission report on Funerals⁶². In summary that funeral would offer the provision of the funeral director’s services and all necessary arrangements, a simple coffin, all necessary disbursements and removal of the body from within a prescribed distance.

In 2001 the Office of Fair Trading (OFT) report⁶³ into funerals stated that the basic funeral “does not appear to be fulfilling its intended roles.” They found that consumers did not get what they thought from a ‘simple funeral’ package and that many consumers were not told about such a service. In the report the OFT noted:

“The trade associations point out that often the failure to show details of the basic funeral is because at an early stage many people effectively rule out an inexpensive funeral. Similarly, many also preclude this option as they seek services that are outside of the basic specification, such as viewing the body in the chapel of rest. The trade argues that while some people would like a ‘simple’ funeral, the meaning of ‘simple’ differs depending on geographical location. More often than not the individual’s perception of a ‘simple’ funeral does not equate with that delivered by the ‘basic’ funeral.”

“Our survey found that it was common for customers not to receive information about it [simple funerals].”

While the OFT recognised these difficulties and recommended that Funeral directors look at ways to help alleviate these concerns of consumers the OFT concluded:

“It [Simple Funerals] is nevertheless, vital to secure easier price comparison”

⁶² “The introduction of a basic simple funeral resulted from a 1977 Price Commission report on funerals. The intention was to enable people to compare prices and to ensure the availability of a low cost funeral with an acceptable level of quality.” OFT Inquiry Report, 2001

⁶³ A report of the OFT inquiry into the funerals industry; Office of Fair Trading; July 2001; http://webarchive.nationalarchives.gov.uk/20110704140623/http://oft.gov.uk/shared_oft/reports/consumer_protection/oft346.pdf

In October 2014, the National Association of Funeral Directors removed the requirement for supplying a simple funeral from their code of practice. In a press release in response to the Funeral Services Bill lodged by Emma Lewell-Buck MP in December 2014 they stated that they were removing the requirement for a simple funeral from the code:

On the issue of the 'Simple Funeral' being proposed in the Bill, the NAFD Code of Practice sets out the guidelines by which members must care for their clients. A new version was introduced in October 2014 which excluded a previous requirement to provide a Simple Funeral. This was due to the feedback that the NAFD received from members that the bereaved could misconceive it to be a "basic" option. It also didn't reflect changing trends in what the bereaved now request at funerals, including many different types of coffin, donations and other aspects of a funeral.

Mr Slater [NAFD Executive] said: "This makes it increasingly difficult to create a basic package which reflects the sheer variety of choice which now exists.

*"Our members are increasingly offering a menu of choices – including a range of options which achieve low overall costs. They are also required to provide both an itemised price list and a written estimate to allow families to select those elements that are right for them and within their budget. We believe this to be the fairest and most straightforward option for both bereaved families and the thousands of small, often family-run, funeral firms that we represent."*⁶⁴

Regulation of Funeral Directors

In 2002 funeral directors were in discussion with the Office of Fair Trading regarding the self-regulation of the industry. The NAFD undertook to submit a revised code of conduct to the Office of Fair Trading for approval under their Consumer Codes Approval Scheme but it appears their code was never formally approved by the OFT under the scheme or by the OFT's successor scheme run by the Chartered Trading Standards Institute.

In 2002 the Editor of WHICH? following the publication of their report on funerals, concluded: "We want to see all funeral directors in the UK signed up to a standard code of practice. The code should be monitored by an independent body."⁶⁵

The industry have indicated an openness to discussing what regulation would look like and in reply to a request that they clarify their position, the NAFD provided us

⁶⁴ National Association of Funeral Directors backs calls for Government to index-link Social Fund payments for funeral poor; NAFD; 8th December 2014; <http://www.nafd.org.uk/2014/12/08/national-association-of-funeral-directors-backs-calls-for-government-to-index-link-social-fund-payments-for-funeral-poor/>

⁶⁵ Bereaved Consumers – beware unscrupulous funeral directors (http://www.uk-funerals.co.uk/which-report.html)

with the following statement that the NAFD had released on the licensing proposals in the Burial and Cremations (Scotland) Bill 2015:

“We welcome the fact that the Government is keen to ensure the sector remains fit for the future and that it continues to be an industry that the public can trust; we are mindful that Government regulation proposed in the Bill will probably come at a cost to funeral firms and the bereaved families they serve and, until we know the detail of that cost, we are unable to comment further.”

We believe that the case for regulation is strong and that the licensing proposed in the Burial and Cremation (Scotland) Bill 2015 gives a good basis for potential future UK regulation.

The case for regulation

A funeral director is in the potentially questionable position of being both a professional advisor and a supplier of services to customers who are often inexperienced in the market and who are vulnerable through their grief. The challenge of that position is recognised in other areas where advice and sales to vulnerable consumers are carried out, and the process is therefore regulated – for example in the sale of insurances and other financial products where the Financial Conduct Authority regulates. We believe this should be the case for funeral directors also and that there is a place for an external regulator.

The proposal in the current Burial and Cremation (Scotland) Bill 2015 to empower Scottish Ministers to appoint inspectors (Section 59 *et seq*) appears to relate to the inspection of premises and documentation, and is to be welcomed. The environment in which a deceased is cared for is an important indicator of the respect which that person is afforded, and the meeting of requirements of legislation and regulations regarding, for example, the storage of bodies, the management of infection and the correct documentation requires to be assured.

The proposals in sections 67 and 68 of the Bill however refer to codes of practice and therefore apply to individuals. Section 67 (1) c: *Scottish ministers may issue codes of practice in relation to....the carrying out of the functions of a funeral director*. This offers Ministers the opportunity to require individual practitioners to comply with a code of practice; failure to comply would result in the loss of a license and therefore ability to practice as a funeral director. We believe this would be a very much stronger position, both for well practicing members of the industry and for the public.

In Part 1 we referred to the definition of a funeral director in the Burial and Cremation (Scotland) Bill 2015 being based on that used in the Death Certification (Scotland Act) 2011 Section 31(a). We believe that a definition based on loose wording such as *whose business consists of or includes the arrangement and conduct of funerals* is too wide and would argue that there are many people whose business includes

the arrangement of funerals, such as mortuary managers, solicitors, land owners and owners of private burial sites, social and healthcare staff and leaders of faith groups. We recommend that the section should instead note the current definition in the Death Certification (Scotland) Act 2011, and aim to redefine the title in terms of the code of practice to be drawn up for licensing of funeral directors under section 67 of the Burial and Cremation (Scotland) Bill 2015. A Funeral Director would then be defined as someone licensed by the appropriate body to perform certain functions.

We welcome the move to requiring funeral directors to abide by a code of practice approved by Scottish Ministers, and hope that the further recommendations of this report will be considered in the construction of such a code. This would ensure not just the practical aspects of handling the deceased, making the arrangements for the funeral etc., but also services such as the selling of funerals both at need and pre need, and requirements about transparency of pricing and of the full range of options.

We believe that the opportunity should be taken by trade associations, at the same time as drawing up a new code of practice, to revisit their complaints processes and alternative dispute resolutions methods offered by the trade bodies.

Regulation and pricing

While it does not seem possible at this present time to exert any control on the Funeral Director costs part of the funeral bill, other than the control brought by the consumer's willingness or unwillingness to pay, we believe that the introduction of regulation would encourage a more consistent responsibility by all funeral directors towards the selling of funerals, with customers being better informed about the range and pricing of the choices available, and more aware of the financial consequences of their purchase.

We recommend that Scottish Government proceed with the licensing of funeral directors under the Burial and Cremation (Scotland) Bill 2015, requiring them individually and collectively to adhere to a code of practice drawn up by Scottish Ministers, and urge that issues raised in this report be taken account of in such a code. [Recommendation 7]

Complaints Handling

The National Federation of Funeral Directors members are able to have complaints conciliated and arbitrated by the Funeral Arbitration Scheme. This scheme is provided by IDRS Ltd who is a recognised Alternative Dispute Resolution (ADR) provider by the Chartered Institute of Trading Standards (CTSI). We believe the mechanisms put in place by the NAFD to appointed a CTSI approved provider of ADR is robust and seeks to display an independence of complaint handling. Similarly SAIF have access to a similar scheme called the Independent Funeral Directors Arbitration Scheme also run by IDRS Ltd.

CAS does however, in keeping with our work on all areas of access to justice, have concerns on the fees levied on consumers making complaints through the Funeral Arbitration Scheme (FAS) and Independent Funeral Directors Arbitration Scheme (IFDAS). For FAS while the initial registration fee is limited to £50 for the consumer, the rules of the process state that an award of funeral directors costs in the arbitration process can be made against the consumer⁶⁶. This is currently £500+ and we believe that such a high level of fee that could be made against a consumer is a barrier and will discourage some who may wish to take a valid complaint. For IFDAS the fee levied on the consumer is a much higher £200 at point of complaint again meaning accessing a level of complaints resolution is expensive to the consumer. While justification for fees can be made on reducing the risk of vexatious complaints it has not been proven that providers of free to access dispute resolution are regularly targeted by those bring unsubstantiated or vexatious complaints⁶⁷. Indeed it has been shown in other sectors that use of fees in accessing dispute resolution or adjudication by tribunals for example has decreased the number of legitimate claims proceeding⁶⁸.

“One of my clients had a bad experience where a funeral director mistakenly scattered the ashes but failed to accept responsibility for their mistake and blamed a member of the family for a mistake on paperwork. The family were so annoyed by the response of the funeral directors that they made a formal complaint. This took 12 months to go through the complaints procedure process and the family were repeatedly asked for multiple statements as to what had happened to them which added a great deal of stress at a difficult time of loss. My client felt like giving up proceeding the complaint many times as she felt it was too difficult to handle while also grieving. I would welcome a different system that would support both the client and the Funeral directors to rectify difficult situations.”

Focus Group Member, Support Services

We recommend that trade bodies review the current level of engagement by consumers making complaints to current alternative dispute resolution that is provided and consider removing fees charged to consumers, both upfront and as the result of an award, to ensure an open and accessible process.

[Recommendation 8]

⁶⁶ Arbitration Service Rules, Funeral Arbitration Scheme

(<http://www.cedr.com/idrs/documents/150714155832-fas-arbitration-rules-2012-edition.pdf>)

⁶⁷ Alternative Dispute Resolution for Consumers, National Association of Citizens Advice Bureaux, 2014 (https://www.citizensadvice.org.uk/Global/Migrated_Documents/corporate/adr-consultation-response--branded-.pdf)

⁶⁸ The Price of Justice, Citizens Advice Scotland, 2015, <http://www.cas.org.uk/publications/price-justice>

2. Reduce the costs of burial/cremation

The other part of the Funeral Bill is what are known as the disbursements and third party costs which the funeral director pays on behalf of the family. Principal among them is the cost of burial or cremation. These costs, as we have seen, are set by the owners of crematoria and cemeteries, and we referred in Part 1 to the postcode lottery which sees a 400% variation in burial costs and a lower, but significant, range of prices for cremation. We also noted increases of up to 40% in some areas last year.

It is within the powers of local authorities to address these charges, however as we have recounted in Part 1, we are aware of a range of factors which influence the setting of the charges currently, including the maintenance of old graveyards and the abatement of mercury emissions in crematoria, plus the challenge to local authorities to balance their own books.

The Burial and Cremation (Scotland) Bill 2015 proposes that local authorities be allowed to continue to set their own charges but also requires them to keep these charges under review. We understand the reluctance of central government to interfere with local government budgets, but we cannot accept that, in the light of the Fairer Scotland agenda, such a wide variation of costs can be allowed to continue for what is both a necessary, and a distress, purchase. We therefore recommend that councils should, at the least, be required to justify any increases, and that the government should seek ways to encourage the move towards parity.

We believe that Local Authorities must take some responsibility for the increase in funeral debt and funeral poverty. We do not expect there to be an appetite in local authorities for a reduction in these charges, in the light of the current pressures on their budgets. However we believe it is essential that we move towards parity by challenging the authorities at the higher end of the scale of prices, and that there is some certainty over how future increases will be calculated. We believe burial and cremation fees should not be used to balance other parts of local authority budgets, and that annual increases should be kept to a minimum and should not exceed the Consumer Prices Index.

This is a concern that has been recognised by the Scottish Parliament's Welfare Reform Committee who in their report⁶⁹ on the devolution of social security to the Scottish Parliament said:

“331. The Committee is concerned to hear about the postcode lottery concerning burial and cremation charges across Scotland. It would encourage the Scottish Government to look at standardisation of charges across all local authorities. It would also encourage a standardisation in awards to avoid any

⁶⁹ 6th Report, 2015 (Session 4): The Future Delivery of Social Security in Scotland; Welfare Reform Committee; Scottish Parliament; 2015;
http://www.scottish.parliament.uk/S4_Welfare_Reform_Committee/Reports/WRS042015R06.pdf

uncertainty regarding what will and won't be included in the Funeral Payment."

We realise that this is a matter which affects all councils, and we therefore call on COSLA to initiate discussions between councils on this matter

We call on all Local Authorities to accept that rising burial and cremation costs are one cause of increasing funeral poverty. We recommend to all local authorities that in fulfilling the duty to review their costs for burial and cremation, as proposed in the Burial and Cremation (Scotland) Bill 2015, they should give due attention to the impact of these costs on funeral poverty and seek ways to reduce, or at least limit, these charges [Recommendation 9]

While we recognise the independence of councils, and the government's reluctance to interfere with budgets, nevertheless we believe this is an area which Ministers should act. We recommend that the Scottish Ministers consider amending the Burial and Cremation Bill Section 20 (2) and Section 45 (2) to require local authorities to justify any increases in burial/cremation charges beyond the CPI, and to pursue the move towards parity in the context of the Fairer Scotland agenda. [Recommendation 10]

We also recognise that not all cemeteries and crematoria come under local authority management, and so we would address a further recommendation to those under private control. We invite private operators of cemeteries and crematoria to note the intention of this section, and to exercise similar restraint as is here being required of local authorities. [Recommendation 11]

3. Increase the assistance available from the state to meet the funding gap.

The main debate around funeral poverty at a UK level has centred on the Social Fund Funeral Payment. Under the Smith Commission proposals, this benefit will transfer to Scottish Government, and those taking forward that development are looking carefully at issues relating to the qualifications for applying for a payment, the complexity of the application process which is based on a long application pack and the delay in decision making which often results in decisions not being made until well after the funeral. CAS has made its own recommendations regarding the devolution of the social fund separate to this review⁷⁰. All of these matters affect the rate of take up of the benefit, and contribute to the crisis facing those who face paying for a funeral while on limited income or living in poverty. We are aware that Scottish Government officials have held their own consultation on these matters and we look forward to satisfactory outcomes and the introduction of a speedier and more transparent scheme in Scotland.⁷¹

We are also aware that the Work and Pensions Select Committee at Westminster has recently launched their own review of the Funeral Payment, and we look forward to a wide ranging debate on this UK benefit, which will impact people in Scotland in the short-term, and the development of the new Scottish benefit in the longer term.

One of the major issues is the level of the award, and in particular the capping of the “other costs” element, which as we have explained in Part 1 was originally calculated to cover the cost of the funeral director’s charges, but, with a cap at £700 imposed since 2003, now leaves a significant deficit even for those obtaining a full grant.

The table below illustrates that while burial and cremation costs are met (in full) by the SFFP, the contribution towards “other” costs leaves a significant debt for the consumer, and risk (of bad debt) for the funeral director.

The increase in overall funeral costs means that the gap between the contribution from the SFFP and the actual retail funeral costs has grown significantly. This results in large shortfalls between what is covered by the SFFP and the total cost of a funeral. This gap has more than doubled from 2004 to 2015, leaving claimants with an average shortfall of £2316.⁷²

CAS has seen a number of cases at CAB where the current funeral payments system fails to meet the needs of those struggling to meet the costs of a funeral. Often it can be unclear to those claiming whether or not they will be successful in their claim and decisions can take a prolonged period of time. There is evidence that the unclear eligibility criteria and application process means there is a high refusal

⁷⁰ Fair, equal and responsive, Citizens Advice Scotland, 2015, <http://www.cas.org.uk/publications/fair-equal-and-responsive>

⁷¹ Designing a Social Security System for Scotland: Funeral Payments; Citizens Advice Scotland; 2015; <http://www.cas.org.uk/publications/designing-social-security-system-scotland-funeral-payments>

⁷² A response to the Work and Pensions Select Committee Inquiry into Benefit Delivery – with specific reference to The Social Fund Funeral Payment (SFFP) Royal London Group 2015

rate in applications. UK Government figures show there were 66,000 applications to the fund in 2012-2013 however only 53% were successful.⁷³

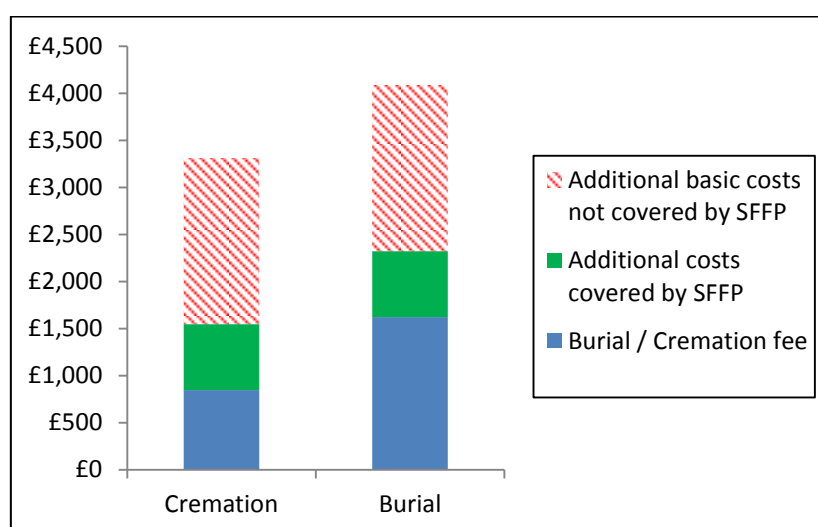


Figure 5
Contribution of Social Fund Payments to average cost of funeral

Added to this difficulty is the need for a deposit up-front (frequently £500-£1000) to funeral directors regardless of whether the person organising the funeral will be successful in their application to the social fund. This is because of the uncertainty of whether the individual will be successful in getting an award even if it appears that they may on the face of it qualify.

Payment amounts for certain costs have also been frozen for a number of years not taking into account the quickly rising costs of funerals across the UK⁷⁴. This has left even those who are successful in applying short of the money needed to pay for a respectful funeral.

A number of applicants to the funeral grants fund are often unclear as to what will be paid for and what is not covered as payment amounts can vary and are often opaque. This can mean individuals can act on the assumption that the entire funeral will be paid for by the DWP when in fact only a small payment will be made to any costs that are not core charges (e.g. transport, flowers, memorials etc).

A further complication with regard to social fund funeral payments is for the DWP to consider a wide number of family members financial circumstances even where these people are estranged before making an award. Not only does this slow down the process of confirming any award but it can mean a refusal for payment despite the fact that the individual organising the funeral, who can be the closest relative, would be eligible.

⁷³ House of Commons Library, Funeral Payments, 2013

⁷⁴ Additional funeral expenses have been capped at £700 since 2003. University of Bath (2012)

A South of Scotland CAB reports of a client whose sister had died leaving very little money to contribute towards the cost of a funeral. The client has taken responsibility for organising the funeral and has approached a local funeral director to help make arrangements. The client paid £1,000 of her own money as a deposit with the total cost coming to £2,611. She is retired and receives the basic state pension and pension credit with no other income. The client states that they have organised the most basic funeral the directors could manage and kept costs to a complete minimum to help the client. They signposted the client to the CAB for help with how to cover the costs. The maximum grant available from the social funeral fund is £1,200 leaving the client well short of the costs despite being on a very low income.

A West of Scotland CAB reports of a client who is the next of kin and legal representative of his late father who died unmarried and had no other children. The client advises that there was no estate but only debts. The client has to borrow money to pay for the funeral for which he has accepted responsibility. The CAB is assisting to make an application to the social fund.

There is a strong argument for the increase of this component of the SFFP to bring it back into line with the original intention of covering the cost of a basic funeral, and then linking it to the CPI.

We urge Scottish Government to put pressure on the UK government to address the decreased value in real terms of the “other costs” element of the Social Fund Funeral Payment by seeking, along with UK government, to restore its value to cover the average cost of a basic funeral. [Recommendation 12]

We further urge Scottish Government to seek ways of improving on the Social Fund Funeral Payment to ensure the new Scottish equivalent benefit:

- **is accessible to all who need it**
- **is supported by a straightforward application process**
- **has a decision process which allows for a timeous response**
- **recognises the uniqueness of family structures**
- **is set at a level to allow for the full payment of a basic funeral in any part of Scotland [Recommendation 13]**

4. Increase the personal resources of the person meeting the costs.

The fourth part of the challenge to balance the funeral poverty equation lies in increasing the available resources for the family. It is not in the scope of this report to tackle the question of austerity and poverty, but it is important to note that one part of the resources available for the person arranging a funeral are the funds made available from the estate of the deceased.

In earlier days many people created a “burial fund” either through cash savings or by contributing to a savings scheme such as an insurance policy or a friendly society. This was a recognition that a person was responsible for funding their own funeral, rather than it being a charge on the relatives. We shall return to this in a later section when we speak of developing a Scottish Funeral Bond.

Currently, where such funds, in the forms of savings or investments, are held by a bank, it is normal for the bank to allow withdrawal of funds on presentation of the funeral director’s account. This is often not the case, however, where the funds are controlled by a lawyer and the delay waiting for confirmation and settlement of an estate creates debt for the funeral director, and often embarrassment for the family who know their account has not been settled.

We recommend that Scottish Ministers ask the Law Society of Scotland to look at the clarification or creation of regulations allowing for the withdrawal of funds held in the name of a deceased person in order to settle funeral accounts. [*Recommendation 14*]

With the exception of the recommendation above which could bring forward access to funds, we see no formal way of increasing the resources of the person arranging the funeral. We are aware that for a significant number of people – both those on benefits and those referred to as “the working poor” – there are often simply no resources available. We are aware of the many informal ways which those facing difficulty in paying for a funeral attempt to increase their own resources, such as borrowing from a bank, credit union or from other sources of short term loans; collecting money from family and friends; arranging fund-raising events; selling personal items. We have also been made aware of people using crowdfunding, and of the development of sites specialising in this⁷⁵. While some of these may be valid ways of addressing cash flow issues in individual circumstances, they do not offer a long term solution to the problem. We believe there might be some possibilities around working with credit unions and similar groups to develop a specialised form of loan and we would urge the government to explore such possibilities, although we recognise that the creation of any loan facility may in fact add burden for those arranging the funeral.

⁷⁵ One such is www.flendr.com

The Scottish Parliament's Welfare Reform Committee⁷⁶ has also called for similar action in their report on the devolution of funeral payments to the Scottish Parliament. In it they comment:

“332. In the medium to long term the Committee recommends that the Scottish Government explore what options are available to people to help plan more effectively for funerals through better, more affordable insurance, and savings through organisations such as credit unions.”

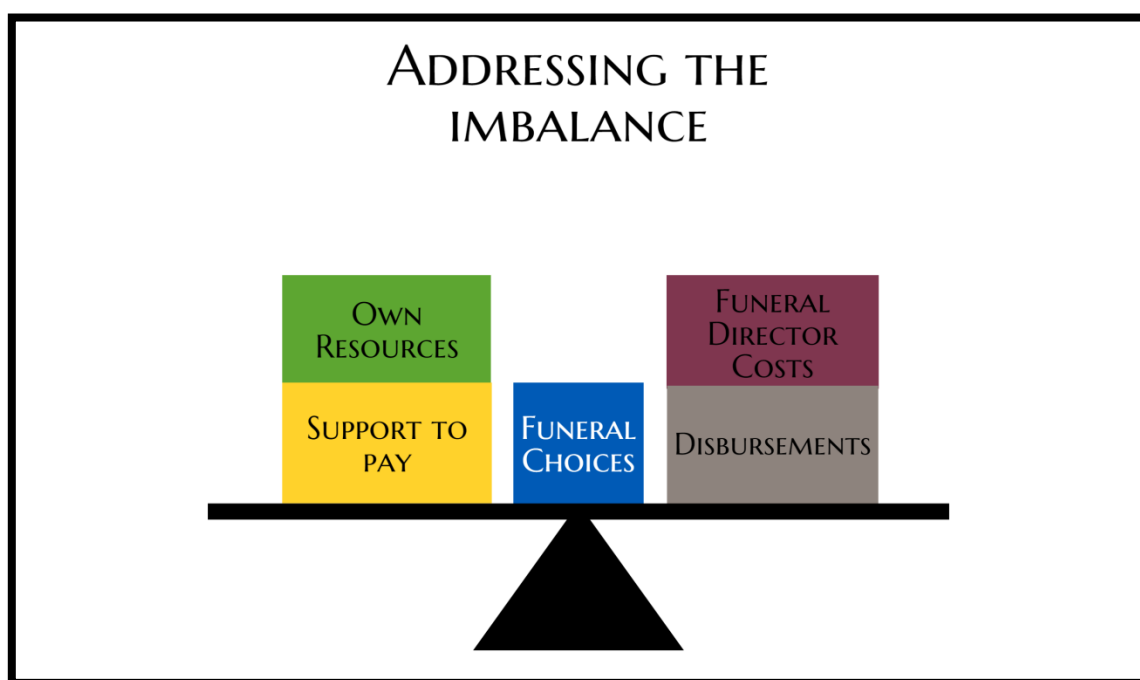
We recommend that Scottish Government Ministers explore working with credit unions and community development finance initiatives explore how resources can more readily be made available to those arranging a funeral.
[Recommendation 15]

With regard to those who through a total lack of resources apply to the Local Authority to arrange a funeral under the National Assistance Act 1948 we note that the Burial and Cremation (Scotland) Bill 2015 updates this legislation. In Part 1 we argued that such funerals should be respectful and dignified, and we would therefore recommend a change in the terms of Section 56 *et seq* of the Burial and Cremation (Scotland) Bill 2015 as below.

We recommend that the Burial and Cremation (Scotland) Bill 2015 be amended to stipulate a respectful and dignified funeral is consistently carried out across Scotland under the provisions in Section 56 rather than simply providing a mechanism for disposal. *[Recommendation 16]*

⁷⁶ 6th Report, 2015 (Session 4): The Future Delivery of Social Security in Scotland; Welfare Reform Committee; Scottish Parliament; 2015;
http://www.scottish.parliament.uk/S4_Welfare_Reform_Committee/Reports/WRS042015R06.pdf

B: Addressing the gap in a different way through better use of funeral choices



For the past 100 years the thinking about the nature of funerals has largely been constrained by the increasing professionalism and commercial practice of the funeral industry. As people's perception of a funeral has grown, and the funeral has been seen to become a larger and more complex event, so the costs, and the consequent debt, have increased. In the days when a local woman acted as "layer out", when the local joiner put together a box, and the church found someone to dig the grave, the costs were minimal, and were usually met by the deceased, or the parish.

However, the advent of larger and more complicated funerals, arranged by specialist undertakers and the social change which brought such funerals into the expectation of all sectors of society, have brought us to the current situation where Funeral Directors both service the industry and also drive it forwards.

If there is no indication that traditional funerals will become less expensive, it is time to see how we can introduce a sea change in how we address the final part of what we call cradle to grave care. We suggest it is time to consider what else can change the funeral costs – and that is the very nature of the funeral itself. What would happen if we made different choices?

1. Funeral Literacy:

In order to increase choice, we need to engage in a wide ranging campaign to increase what we have called Funeral Literacy. Most people only ever arrange one or two funerals, and therefore when they come to arrange one they have little experience or knowledge.

As we have already seen, funerals are expensive in comparison to peoples incomes and available finances as already illustrated in table 5. When arranging a funeral, there are a number of assumptions which people frequently make about what a funeral is, and what items and services they are required to purchase. It is important that ways are found to empower those arranging a funeral to set a budget and start with a clean sheet, picking only the essential items and services which they wish and which they can afford.

A number of funeral directors have spoken to us of the “budget airline” approach whereby they are starting to offer a basic or simple funeral onto which people can add those items and services which they wish – and which they can afford. We welcome this approach as being a contribution to keeping costs low and making clear the nature of the choices a client can make.

Funeral directors have repeatedly told us it is not in their interests to sell a funeral which the customer cannot afford, and yet often those arranging a funeral appear to get carried away building a funeral which is far beyond their means while assuring the funeral director – and themselves – that they can afford it.

“You don’t have time to think about the costs!”
Focus Group member who had recently organised a funeral

A publicity campaign is needed on how to arrange an affordable funeral. Such a campaign should address the range of choices available, and the options to include or not include items and services. It should give advice on how to arrange all or part of the funeral service yourself, including details of the paperwork required. It could give advice on purchasing a coffin on line, requesting an early time at the crematorium in exchange for a discount, buying your own flowers from the supermarket, using taxis rather than limousines, using social media rather than press notices. It should, further, offer information about all costs and about how to arrange the finances and sources of further help such as the SFFP.

Such guidance would be of interest also to those who are not necessarily facing financial pressure, but who nevertheless may be surprised at how quickly the cost of a funeral can mount up.

We recommend that Scottish Government sponsor an ongoing publicity campaign to increase the public’s awareness of issues connected with funerals, in particular increasing their understanding of the cost of funerals.

[Recommendation 17]

In addition to the publication of guidance, if people are to be enabled to make informed choices, then they should also have access to impartial advice.

Nairn Citizens Advice Bureau have since 2011 published and made available guidance, templates and support for those planning ahead for their estate and funeral after their death. Called *Taking Control: Illness and Dying* these resources provide a suite of checklists and leaflets that help guide an individual through planning a funeral, making a will and making a power of attorney as well as other practical information⁷⁷. The CAB also ran a highly successful *Dying to Know* campaign in association with NHS, Highland Health and Social Care Partnership and Highland Council. This campaign included an information day, the first of its kind in Scotland, in the community for local residents to hear from experts about funeral planning, wills, powers of attorney, legal questions and questions about care. The main aim of which was to encourage thinking and being open about death, dying and bereavement.⁷⁸

More recently the Craigowl project, part of the Dundee based Hillcrest Group, were successful in obtaining money to pilot a funeral advice service, offering guidance to families facing the responsibility for a funeral on a limited income. Although the project has a limited reach there is clear evidence that the service is meeting a need.

Both projects draw from the work of Quaker Social Action's "Down to Earth" project in East London⁷⁹ which offers free advocacy and practical guidance to people on low incomes on finding the most affordable and appropriate funeral.

Based on the experience of organisations such as CAS and Craigowl, a publicity programme should be undertaken to raise awareness of the process of arranging a funeral. Such a programme should extend across a range of media and might be a mixture of events and printed /online information. Such a media campaign should be backed up by a network of support and advice, offered through existing advice agencies such as CABs, money advisers, welfare rights services. Training should be commissioned and made available to all those giving such advice – for example through the Financial Capability Programme at Money Advice Scotland.

As part of this the Scottish Government could establish an on online portal of guidance, support and advice regarding funeral costs and arrangements. This would bring together expert advice and signposting to appropriate agencies for support in planning for your own death and also how to arrange pay for a funeral. The site could also include what questions to ask the funeral director, what common charges are for services and how to deal with wills. Such a website should promote sustainable lending, if necessary and affordable, as opposed to expensive short term borrowing that may currently be used by some bereaved families to pay for funerals. This approach could replicate the success achieved by the Scottish Financial Health

⁷⁷ Taking Control: Illness and Dying, Nairn CAB, <http://www.nairncab.org.uk/projects/taking-control-illness-and-dying/>

⁷⁸ Dying to Know, Nairn CAB, <http://www.nairncab.org.uk/2013/05/dying-to-know-campaign-lives-on-with-family-day-in-nairn/>

⁷⁹ The Down to Earth project is run by Quaker Social Action – see <http://www.quakersocialaction.org.uk/Pages/Category/down-to-earth-stories> - accessed 05.12.15

Service Website which provides an online tool for individuals to get access to more information.

This Hub should sit alongside a campaign to get individuals thinking about their own plans for a funeral and discussing it with family and friends or writing it down alongside a will. The Scottish Government should launch a national public awareness campaign on this topic following similar drives on blood/organ donation and Power of Attorney.

While NHSScotland has been required to appoint a bereavement coordinator in each health board⁸⁰, it is a long way behind the system south of the border where bereavement offices are available in all major hospitals to give advice both on processes following deaths and about funeral arrangements. The further development of the bereavement coordinator role, with the establishment of bereavement teams and bereavement offices serving all major hospitals and supporting health and social care, would greatly assist the furtherance of death and funeral literacy in Scotland.

We recommend that Scottish Government encourage the setting up of a bereavement advice network and online information hub using existing services to enable members of the public to make informed choices, and support such work by commissioning training for advisors. [Recommendation 18]

We recommend that within NHS Scotland timely advice and information about funeral choices for those who have experienced the death of someone close should be made available through the development of a dedicated bereavement coordinator role and the establishment of bereavement teams and offices, and that such developments should, in due course, be taken forward in conjunction with the integration agenda to include social care as well as healthcare. [Recommendation 19]

⁸⁰ *Shaping Bereavement Care* accessible at www.sehd.scot.nhs.uk/mels/cel2011_09.pdf accessed 05.12.15

2. Your funeral wishes:

It is estimated that only 9% of the population have made a plan for their own funeral⁸¹. While an increasing number of people are investing in a pre-paid funeral plans or taking out some form of insurance to cover the cost of their funeral— last year 39% of funerals were paid for by a plan or an insurance,⁸² - and some others may have had discussions with their family, the majority of people have still done no formal planning. Both statistical and anecdotal evidence suggests that when arranging a funeral, families frequently are unsure of what the deceased wished. Sun Life found that 31% of people in their sample did not know whether a loved one wished burial or cremation⁸³.

Even when there have been family discussions, it is common for families to feel a need to arrange something more complicated and expensive than the deceased may have discussed. Many things contribute to this desire – a fear of the stigma of arranging something which looks cheap, or an urge to arrange something which speaks loudly of the depth of the love or respect they have for the person. This over-purchasing in the funeral market is a highly significant contributor to the high cost of funerals. Royal London commented “When analysed together, our data sources suggest that many people receive a more elaborate send-off than they might personally choose.”⁸⁴

In one of our focus groups we met a CAB client with a terminal illness who had tried to make his own funeral plans, keeping things as simple as possible. This had not been easy, with a funeral director who seemed reluctant to speak to a client whose death was imminent. More sadly, this person felt uncertain that his family would, in the end, follow his wishes.

There exist a number of informal websites and agencies which offer the opportunity to record your own funeral wishes⁸⁵ but each presents different choices, and some make assumptions about the nature of a funeral. We believe there is room for the government, or an agency of government, to prescribe a form which can give information and enable and record informed choices. The status of such a form would need to be clarified, but it could be promoted alongside other end of life planning tools such as wills and powers of attorney.

We recommend that Scottish Government develop an Indication of Funeral Wishes document to sit alongside a person’s Will and Power of Attorney as part of the suite of end of life planning tools promoted in publicity.

[Recommendation 20]

⁸¹ NatCen Social Research’s British Social Attitudes survey 2013

⁸² *Rising Funeral Costs - The Elephant in the Room* Royal London 2015

⁸³ *Cost of Dying 2015* Sun Life 2015

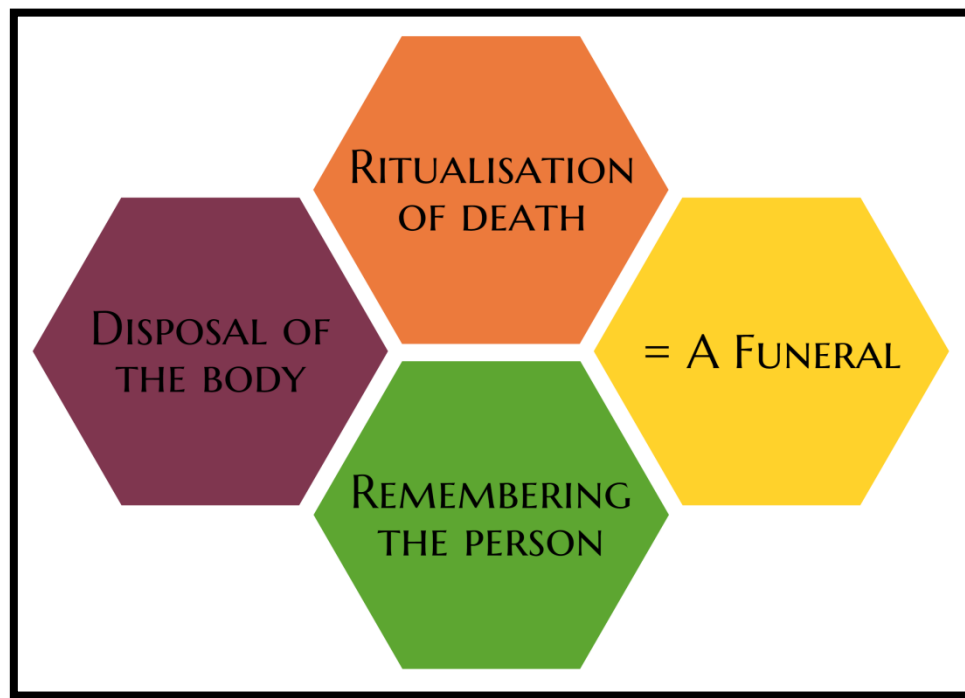
⁸⁴ *Rising Funeral Costs – The Elephant in the Room* Royal London 2015

⁸⁵ See for example finalfling.org.uk; bereavementadvice.org; dyingmatters.org; nairncab.org.uk

3. Long term reform and change:

a) Re-thinking the funeral

In the introduction to this report we described a funeral as having three main components



It is normal for people when arranging a funeral to seek to address all three components at once, treating the funeral as a whole. This presumes that the arrangement of each component is a part of the business to be conducted with the funeral director. This leads to a gathering of the costs for each component part into one funeral account. However if we were to re-think the funeral and take each part separately much of the expenditure could be reduced or saved. Consider the following possible changes for a funeral:

Disposal of the body: If asked, most funeral directors will offer “direct cremation” where they will simply collect the deceased from the hospital and take them to the crematorium at an agreed time, where the cremation will take place, with no service. Later the ashes can be collected from the crematorium or from the funeral director. This involves only one trip by the funeral director, no additional treatment or embalming of the body, no officiant, no orders of service and possibly no hearse. There is no service, and so nobody attends at the crematorium. The cost for such direct cremation in Scotland is currently from around £1000. While most funeral directors and crematoria will offer these funerals as an alternative to their normal services, currently not all will offer a reduced price.

Ritualisation of death: The funeral has a ritual all of its own – with dark clothes, hearses and limousines, sombre music, the carrying of the coffin, bearers bowing and earth being scattered. Certain people, from faith groups or from a new profession of “secular celebrant” add their rituals of words and actions.

Do we need any of that? In asking to redefine funerals families might develop their own rituals, such as planting a tree, lighting a candle, or sitting in silence listening to a particular piece of music – either alone or with others. There is no cost involved in these, and you do not require a funeral director to facilitate these rituals. Because the ritual is separated from the disposal, the family could take time to plan their ritual.

Remembering the person: Traditionally the remembering is done in the form of a eulogy during the funeral service. In a re-thought funeral, much of the remembering may be done individually and privately, but if there is benefit in coming together to remember someone – and such gathering can assist in grieving – this could be done by going out together for a meal, or by meeting in the a pub or a club to drink the person’s health. Most faith leaders would be helpful in arranging a memorial service if that was required. The cost of remembering the person will depend on what method is selected.

Other ways of sharing in remembering the person might involve a memory book, in which family and friends record their memories, or a memory box collecting together items of significance.

Each year the members of the Scottish alliance Good Life Good Death Good Grief encourage people to recall those who have died in a festival of remembrance and story-telling called “To Absent Friends”⁸⁶ Such remembering can occur in organised events, or in the privacy of a person’s own home.

We recommend that the Scottish Government explore, with all stakeholders, how the idea of re-thinking the funeral can be further developed by looking at the possibility of separating disposal from remembrance and ritual.

[Recommendation 21]

⁸⁶ www.toabsentfriends.org.uk accessed 05.12.15

b) A partnership scheme:

In South Africa, national telephone company Telkom have recently teamed up with Old Mutual Insurance company to offer free funeral insurance to those on certain tariffs⁸⁷. The scheme provides a lump sum benefit on the death of the customer, paid to a named beneficiary, provided the monthly payments for the phone provision are up to date. If you miss a month's payment, your insurance is invalid for the following month, but is then re-instated when you make your next payment. The monthly tariff is not expensive at 100R (about £4.50) and the sum insured is not huge 10,000R against the average funeral starting at four times that figure, but as a loyalty payment, it is virtually cost free to the customer

This scheme offers an interesting model for Scotland going forward. We often carry loyalty cards for many different companies, and we are used to having certain benefits, such as free breakdown membership of travel insurance from some bank accounts for example.

The possibility of partnership schemes to contribute to funeral cover is something which is well worth exploring. However, there would need to be some guarantee of stability and future proofing

We recommend that Scottish Government explore the market to determine if there would be interest in providing funeral cover as a loyalty reward scheme.
[Recommendation 22]

⁸⁷ Details can be found at <http://www.oldmutual.co.za/media-centre/newsdetail/2015/10/20/telkom-and-old-mutual-partner-to-offer-added-value-to-customers> accessed 06.12.15

c) State-funded funerals

Many of those with whom we spoke asked why the state does not simply fund funerals the way they fund the requirements around birth. We have referred already “cradle to grave” care but in many ways what is currently offered by governments in the UK is “cradle to mortuary” care. Should the government extend its responsibility by providing funerals for all?

This is the model followed in Sweden⁸⁸ where everyone who is entered in the Swedish population registry pays a mandatory burial fee through their taxes. This applies regardless of the person’s religious convictions and is a charge meant to cover some of the costs that arise when someone dies.

The burial fee covers the following expenses:

- A burial plot for 25 years
 - Burial and/or cremation
 - Certain transports of the coffin
 - Premises for safekeeping and viewing of remains
 - Premises for a funeral ceremony with no religious symbols
- These services must be provided at no charge, even in a parish other than the parish where you are registered.

The services for which the estate of the deceased person must pay include:

- Coffin and dressing the deceased person
- Decorations and flowers
- Obituary notices
- Transportation of the coffin to the viewing room (premises for safekeeping and viewing)
- Funeral ceremony
- Pallbearers
- Memorial service
- Headstone
- Grave maintenance

We recommend that Scottish Government consider the range of schemes for funeral provision in other countries, such as that described from S Africa and Sweden. [Recommendation 23]

⁸⁸ See <http://www.begravningar.se/english> accessed 11.12.15

d) A Scottish Funeral Bond

So far all suggestions and recommendations have been largely about developing what is already in place. With the Scottish Funeral Bond we propose something new.

There are three strands to this:

1. An agreed basic funeral.

Central to this scheme would be agreement on a “basic” funeral. This should probably not be called basic, or simple, or any such term which could become as judgemental as “pauper’s” is currently. For just now we will refer to it as Scottish Funeral Bond Funeral (SFBF).

The SFBF should have a set, but minimum, list of components. It could be set

- at the level of a direct cremation or burial,
- at the level of a direct cremation preceded by a short service in the Funeral Home or elsewhere
- at the level of what is currently provided in a LA funeral.

In England a number of councils have negotiated such basic funerals to be provided as standard in their Council Funeral schemes⁸⁹. The exact details of the service, how it is to be described and an itemised description of the items and services included should be agreed by Scottish Government.

Supplying the SFBF could be required of all funeral directors as a condition of their licence, or it could be something which any funeral director could sign up to. We would oppose the idea that the government, or local councils, should award a tender for it to one particular funeral director, since we value the right of families to choose their funeral director. The SFBF should always consist of the same content, and the quality of it should be ensured through inspection as part of the licence of funeral directors.

All funeral directors offering the SFBF should be required to offer the service at an agreed price.

Funeral directors would be permitted to offer enhancements of the service at an additional price to the family, but the selling of such enhancements would be controlled under the terms of the agreement between the funeral director and Scottish Funeral Bond Scheme.

Strong publicity as already described in this report would underpin the SFBF as an acceptable, dignified and respectful funeral.

⁸⁹ Such schemes are offered by a number of councils e.g. Nottinghamshire Funeral Service, Cardiff Council Funeral Service, Hounslow Community Funeral Service

2. A contributory funeral scheme.

The second strand of the scheme would be a saving scheme towards the cost of the SFBF. This would be a government controlled scheme, possibly set up in partnership with Credit Unions, into which people would contribute throughout their adult lives. For the level of funeral described in 1 contributions would be relatively small. The scheme could have a government contribution to initiate the bond, and it could be open to employers to make contributions to augment an employee's bond. The administrative costs of the bond should be met by government.

We suggest that the bond should be limited to the cost of the SFBF. Families wishing to make their own separate saving plans for additional items and services would, of course, be free to do so.

The insurance element of the scheme should ensure that where a contributing member died before the fund had reached the level required, the SFBF should nevertheless be funded.

The introduction of such a scheme would require consideration of transition arrangements for those who already have scheme in place.

3. A participatory scheme:

The scheme should be open to all licensed funeral directors to participate. A family arranging a funeral for a bond-holder should be able to approach any licensed funeral director and arrange a SFBF at the set price.

Alternatively, the SFBF might be available only from licensed funeral directors who chose to opt in to the scheme. Such funeral directors would have additional inspection as a part of their licensing to ensure the conditions of the scheme were being met, and would be awarded a kite mark of membership of the scheme to display in addition to their licence.

As the scheme would negate bad debt for these funerals, this should be taken into account in arranging the national set price.

4. Benefits:

There are a number of benefits in the proposed scheme

- i) The scheme moves responsibility for the payment of a funeral to the deceased rather than a charge on the family
- ii) The scheme ensures that those on low income have access to a scheme which affords a respectful and dignified, although limited, funeral – the SFBF.
- iii) Consistency across the country with respect to content, quality and price will minimise any question of stigma attached to the SFBF.

5. Issues:

There are a number of issues which would require to be clarified.

- i) Would the SFBF offer a choice of burial or cremation at the same price – or would people require to pay in more if they opted for burial?
- ii) The range of costs for burial and cremation across the country would need to be addressed in order to reach a national price for the SFBF. This would either require opting in by councils to be part of the scheme and to offer burial and cremation at standard prices, or a topping up of a person's bond by government if they lived in area where the bond fell short of the local costs.

The authors of this report are not in a position to develop detailed planning for such a scheme at this time, but believe there is sufficient possibility in such a scheme that they recommend a detailed consideration and exploration of what is suggested.

We recommend that Scottish Government explore, with all stakeholders, the possibility of developing a Scottish Funeral Bond scheme as outlined in this section of the report [Recommendation 24]

Conclusions

This report has considered a wide variety of factors that contribute to the growing number of bereaved families in Scotland who are unable to afford to pay for a funeral. Since the formation of the Scottish Working Group on Funeral Poverty was established in 2011 it has become clear that the struggle to afford to pay for a respectful funeral is affecting more people than previously thought.

The rise in costs associated with a funeral alongside the stagnation of people's incomes and real terms cut in state support has left families in extremely difficult circumstances at a time when they are particularly vulnerable. In addition societal norms of what constitutes "a funeral" has led to it being difficult for families or even those planning their own funeral to differentiate from the norm in order to reduce costs or the burden on their loved ones.

Throughout the length of this report we have recommended numerous different actions that can be taken to help tackle funeral poverty. Some of these tackle costs and support head on while others look at the problem from a consumer choice angle and seek to influence how we can encourage consumers to make sounder decisions that meet their needs.

Many of the recommendations will require additional thought and scoping and some will inevitably face opposition. However we believe that in order to reduce the instance of funeral poverty in Scotland co-ordinated and sustained action is needed from today and we look forward to future action by all partners in helping Scotland's bereaved families.

We recommend that Scottish Government provide an opportunity for wide discussion of the content and recommendations of this report.

[Recommendation 25]

Summary Table of Recommendations in report

Number	Recommendation	Who is responsible	Who is impacted	Outcome for Funeral Poverty	Page of report
1	We recommend that in the light of the cross-cutting nature of matters relating to dying, death and bereavement, attention should be given to the possibility of development of a coordinator role, perhaps by nomination of a lead minister. This role would be tasked with ensuring consistency in approach to death and bereavement in government, assisting to avoid the duplication of work and act as an advocate on behalf of the bereaved to ensure their voice is heard in decision making processes.	Scottish Ministers	All sections of Scottish Government	Consistency of approach Sharing of best practice Potential development of national strategy	7
2	We recommend that Scottish Government facilitate greater public and personal discussion, to encourage open and honest conversations around dying, death and bereavement. This should include all Scottish Government departments, as well as public service agencies outside of health and social care, such as schools, colleges and prisons. This should support the work of the national alliance Good Life, Good Death Good Grief.	Scottish Government	All sections of Scottish Government Other public service agencies Third Sector agencies	Widening debate Encouraging public participation Tackling stigma	8

3	We recommend that the UK Government and Financial Conduct Authority (FCA) review the current self-regulation environment for funeral plan providers, including the exemption under the Financial Services & Markets Act 2000 for funeral plans to ensure that plan providers are robustly protecting client funds and sale practices do not take advantage of vulnerable consumers.	Scottish ministers UK Government FCA	Funeral plan providers Purchasers of funeral plans Bereaved families	Protecting vulnerable consumers Ensuring best value Clarity of what is provided Protection of funds invested	34
4	We recommend that the FCA consider current intelligence and consumer complaint volumes and trends through the Financial Ombudsman Service regarding Whole of Life, Over 50's and similar types of insurance plans to decide if a thematic review of this market would be beneficial in protecting consumers interests.	FCA	Insurance providers Purchasers of insurance products Bereaved families	Protecting vulnerable consumers Ensuring best value Clarity of what is provided	36
5	We recommend that the Burial and Cremations Bill is amended to give specific provisions for who is responsible for a national assistance funeral when someone dies in prison. Alternatively we would welcome much clearer guidance on the issue to ensure a consistent approach for prisoner's families across Scotland.	Scottish Parliament	Scottish Prison Service Local authorities Prisoner's families	None directly	38

6	We recommend that the Scottish Government undertake further research to better understand the numbers of people in Scotland affected by rising funeral costs and how this impacts on their ability to afford a respectful funeral for their loved one and how it impacts their experience of grief.	Scottish Government	Scottish Government Funeral industry NHSScotland Third sector agencies	Facilitates better strategic planning Lays baselines for audit And for measuring outcomes	40
7	We recommend that Scottish Government proceed with the licensing of funeral directors under the Burial and Cremation (Scotland) Bill 2015, requiring them individually and collectively to adhere to a code of practice drawn up by Scottish Ministers, and urge that issues raised in this report be taken account of in such a code.	Scottish Parliament Scottish government	Funeral directors Bereaved families	Consistent standards of practice regardless of affiliation to trade body Better accountability Consumer protection	47
8	We recommend that trade bodies review the current level of engagement by consumers making complaints to current alternative dispute resolution that is provided and consider removing fees charged to consumers, both upfront and as the result of an award, to ensure an open and accessible process.	Trade bodies	Complainants regarding items and services	Increased confidence in procedure Robust redress processes Affordable, accessible complaints procedure	49
9	We call on all Local Authorities to	Local authorities in	Local authorities	Fairer pricing of burial	51

	accept that rising burial and cremation costs are one cause of increasing funeral poverty. We recommend to all local authorities that in fulfilling the duty to review their costs for burial and cremation (as proposed in the Burial and Cremation (Scotland) Bill 2015, they should give due attention to the impact of these costs on funeral poverty and seek ways to reduce, or at least limit, these charges.	Scotland	Bereaved families Funeral directors	and cremation services	
10	While we recognise the independence of councils, and the government's reluctance to interfere with budgets, nevertheless we believe this is an area which Ministers should act. We recommend that the Scottish Ministers consider amending the Burial and Cremation Bill Section 20 (2) and Section 45 (2) to require local authorities to justify any increases in burial/cremation charges beyond the CPI, and to pursue the move towards parity in the context of the Fairer Scotland agenda.	Scottish ministers	Local authorities Bereaved families	Consistency of costs across Scotland Clearer justification of increases Better understanding of future pricing trends	51
11	We also recognise that not all cemeteries and crematoria come under local authority management, and so we would address a further recommendation to those under private control. We invite private	Private operators of burial and cremation services	Private operators of burial and cremation services Bereaved families	Consistency of costs across Scotland Clearer justification of increases Better understanding of future pricing trends	51

	operators of cemeteries and crematoria to note the intention of this section, and to exercise similar restraint as is here being required of local authorities.				
12	We urge Scottish Government to put pressure on the UK government to address the decreased value in real terms of the “other costs” element of the Social Fund Funeral Payment by seeking, along with UK government, to restore its value to cover the average cost of a basic funeral.	Scottish Ministers UK Ministers DWP	DWP claimants Scottish Government Social Security unit Bereaved families Funeral directors	Increased support for bereaved families Earlier awareness of support available More clarity in funeral arrangements	54
13	We further urge Scottish Government to seek ways of improving on the Social Fund Funeral Payment to ensure the new Scottish equivalent benefit: <ul style="list-style-type: none"> • is accessible to all who need it • is supported by a straightforward application process • has a decision process which allows for a timeous response • recognises the uniqueness of family structures • is set at a level to allow for the full payment of a basic funeral in any part of Scotland 	Scottish Government	Scottish claimants Scottish Government Social Security unit Bereaved families Funeral directors	Increased support for bereaved families Earlier awareness of support available More clarity in funeral arrangements	55
14	We recommend that Scottish Ministers ask the Law Society of	Scottish Ministers Law Society of Scotland	Solicitors Executors of estates	More timely availability of funds to settle	56

	Scotland to look at the clarification or creation of regulations allowing for the withdrawal of funds held in the name of a deceased person in order to settle funeral accounts.		Funeral directors Bereaved families	accounts Less stigma for families where accounts have not been settled	
15	We recommend that Scottish Government Ministers explore working with credit unions and community development finance initiatives explore how resources can more readily be made available to those arranging a funeral.	Scottish Government Credit Unions	Credit Unions Other community funding bodies Bereaved families	Better access to affordable finance	57
16	We recommend that the Burial and Cremation (Scotland) Bill 2015 be amended to stipulate a respectful and dignified funeral is consistently carried out across Scotland under the provisions in Section 56 rather than simply providing a mechanism for disposal.	Scottish Government	Local authorities Funeral directors Burial and Cremation authorities Bereaved families	More confidence in the dignified and respectful disposal End the stigma of "pauper's funeral"	57
17	We recommend that Scottish Government sponsor an ongoing publicity campaign to increase the public's awareness of issues connected with funerals, in particular increasing their understanding of the cost of funerals.	Scottish Government	General public Bereaved families Funeral directors	Better informed purchasers Ensuring best value	59
18	We recommend that Scottish Government encourage the setting up	Scottish Government	Exiting advice providers Bereaved families	Better informed purchasers	61

	of a bereavement advice network and online information hub using existing services to enable members of the public to make informed choices, and support such work by commissioning training for advisors.			Ensuring best value Support to make informed choices Information about assistance	
19	We recommend that within NHS Scotland timely advice and information about funeral choices for those who have experienced the death of someone close should be made available through the development of the bereavement coordinator role and the establishment of bereavement teams and offices, and that such developments should, in due course, be taken forward in conjunction with the integration agenda to include social care as well as healthcare.	NHSScotland	NHS Staff Bereaved families	Better informed purchasers Ensuring best value Support to make informed choices Information about assistance	61
20	We recommend that Scottish Government develop an Indication of Funeral Wishes document to sit alongside a person's Will and Power of Attorney as part of the suite of end of life planning tools promoted in publicity.	Scottish Government	General public Advisory services End of Life Care planning Statutory and third sector agencies Funeral Directors	Better informed purchasers More likely deceased's wishes are met Empowering families to make choices	62
21	We recommend that the Scottish Government explore, with all stakeholders, how the idea of re-thinking the funeral can be further	Scottish Government	All stakeholders Bereaved families	New approach to planning a funeral Possibility of savings	64

	developed by looking at the possibility of separating disposal from remembrance and ritual.				
22	We recommend that Scottish Government explore the market to determine if there would be interest in providing funeral cover as a loyalty reward scheme.	Scottish Government	All stakeholders Bereaved families	New approach to planning a funeral Possibility of savings	65
23	We recommend that Scottish Government consider the range of schemes for funeral provision in other countries, such as that described from S Africa and Sweden.	Scottish Government	Scottish Government	Facilitates better strategic planning	66
24	We recommend that Scottish Government explore, with all stakeholders, the possibility of developing a Scottish Funeral Bond scheme as outlined in this section of the report.	Scottish Government	All stakeholders	Moves responsibility for the payment of a funeral to the deceased rather than a charge on the family ensures that those on low income have access to a scheme which affords a respectful and dignified, although limited, funeral Consistency across the country with respect to content will minimise any question of stigma	69

				attached to the SFBF.	
25	We recommend that Scottish Government provide an opportunity for wide discussion of the content and recommendations of this report.	Scottish Government	All stakeholders	Wide consideration of the issues Public debate of alternatives solutions.	70

Stakeholder groups to engage in future discussions on funeral poverty

On the basis that death is universal, and that bereavement is highly cross-cutting, any attempt to define who are the stakeholders in a discussion on funerals and funeral poverty presents a challenge.

However, a list of stakeholders would include, among others:

Funeral directors – both formal trade associations and individual operators

Burial authorities – local council and private sector

Cremation authorities – local council and private sector

Ancillary trades – such as coffin manufacturers

Funeral Plan providers – pre-need providers and insurance companies

Advice services – social, welfare and financial advice – statutory, private and third sector

Bereavement services – based in health services, hospices and in third sector

Health care services – statutory, private and third sector

Social care services – statutory, private and third sector

Religious and belief groups

Secular funeral celebrants

Support groups – based around age, health, welfare

Bereavement support groups

Poverty support groups

Campaign groups – death and bereavement literacy, poverty action, funeral reform

Academic departments – such as thanatology, poverty studies, social policy

Government - all directorates



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